

**WELLWOOD RESOURCE CENTRE OF HAMILTON**

**FINANCIAL STATEMENTS**

**MARCH 31, 2018**



**TAYLOR LEIBOW**LLP  
ACCOUNTANTS AND ADVISORS

AN INDEPENDENT MEMBER OF DFK INTERNATIONAL

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of  
Wellwood Resource Centre of Hamilton:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Wellwood Resource Centre of Hamilton, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## INDEPENDENT AUDITOR'S REPORT (Continued)

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*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Wellwood Resource Centre of Hamilton as at March 31, 2018, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

*Taylor Leibow LLP*

**CHARTERED ACCOUNTANTS**  
**Licensed Public Accountants**

Hamilton, Ontario  
June 26, 2018

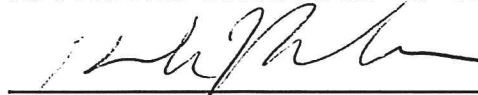
**WELLWOOD RESOURCE CENTRE OF HAMILTON  
STATEMENT OF FINANCIAL POSITION**

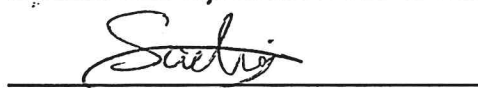
*As at March 31*

	2018	2017
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	48,492	14,886
Short-term investments	2,088,216	2,261,509
Accounts receivable	6,961	6,470
Inventories	465	1,103
Prepaid expenses and deposits	45,584	9,978
	<b>2,189,718</b>	<b>2,293,946</b>
<b>CAPITAL ASSETS (Note 3)</b>	<b>1,171,674</b>	<b>1,225,284</b>
	<b>3,361,392</b>	<b>3,519,230</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable (Note 4)	54,476	25,593
<b>DEFERRED CONTRIBUTIONS (Note 5)</b>	<b>43,578</b>	<b>27,171</b>
	<b>98,054</b>	<b>52,764</b>
<b>FUND BALANCES</b>		
INVESTED IN CAPITAL ASSETS	1,171,674	1,225,284
EXTERNALLY RESTRICTED (Note 6)	2,079,687	2,076,687
UNRESTRICTED	11,977	164,495
	<b>3,263,338</b>	<b>3,466,466</b>
	<b>3,361,392</b>	<b>3,519,230</b>

*(See accompanying Notes to Financial Statements)*

**APPROVED ON BEHALF OF THE BOARD:**

 Director

 Director

**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**STATEMENT OF CHANGES IN FUND BALANCES**

	Year ended March 31		
	General Fund	Endowment Fund	Total 2018
	Unrestricted	Invested in Capital Assets	Total 2017
	\$	\$	\$
FUND BALANCES, BEGINNING OF YEAR	164,495	1,225,284	3,466,466
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(150,658)	(55,470)	(203,128)
INVESTMENT IN CAPITAL ASSETS	(1,860)	1,860	-
FUND BALANCES, END OF YEAR	11,977	1,171,674	3,263,338
		2,079,687	3,466,466

(See accompanying Notes to Financial Statements)

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**WELLWOOD RESOURCE CENTRE OF HAMILTON****STATEMENT OF OPERATIONS***Year ended March 31*

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	<b>General Fund \$</b>	<b>Endowment Fund \$</b>	<b>Total 2018 \$</b>	<b>Total 2017 \$</b>
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<b>REVENUES</b>				
Donations	<b>78,309</b>	<b>3,000</b>	<b>81,309</b>	126,524
Fundraising and other income	<b>174,305</b>	-	<b>174,305</b>	121,198
Investment income	<b>49,280</b>	-	<b>49,280</b>	56,488
Realized gain on investments	<b>63,663</b>	-	<b>63,663</b>	149,761
	<b>365,557</b>	<b>3,000</b>	<b>368,557</b>	453,971
<hr/>				
<b>EXPENDITURES</b>				
Advertising, travel and promotion	<b>1,284</b>	-	<b>1,284</b>	600
Fundraising expenses	<b>42,246</b>	-	<b>42,246</b>	43,245
Insurance	<b>11,807</b>	-	<b>11,807</b>	11,818
Miscellaneous	<b>1,891</b>	-	<b>1,891</b>	1,889
Office expenses	<b>60,537</b>	-	<b>60,537</b>	65,650
Printing, postage and courier	<b>6,015</b>	-	<b>6,015</b>	4,772
Professional fees	<b>40,976</b>	-	<b>40,976</b>	36,655
Volunteer expenses	<b>4,349</b>	-	<b>4,349</b>	4,430
Wages and benefits	<b>268,541</b>	-	<b>268,541</b>	269,652
	<b>437,646</b>	-	<b>437,646</b>	438,711
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EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	<b>(72,089)</b>	<b>3,000</b>	<b>(69,089)</b>	15,260
AMORTIZATION	<b>(55,470)</b>	-	<b>(55,470)</b>	(56,951)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	<b>(78,569)</b>	-	<b>(78,569)</b>	18,470
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<b>(206,128)</b>	<b>3,000</b>	<b>(203,128)</b>	(23,221)

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*(See accompanying Notes to Financial Statements)*

**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**STATEMENT OF CASH FLOWS**

	<i>Year ended March 31</i>	
	2018	2017
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures	(203,128)	(23,221)
Items not involving cash:		
Amortization	55,470	56,951
Realized gain on investments	(63,663)	(149,761)
Unrealized loss (gain) on investments	78,569	(18,470)
	<b>(132,752)</b>	<b>(134,501)</b>
Changes in non-cash working capital <i>(Note 7)</i>	<b>(6,576)</b>	<b>(3,272)</b>
	<b>(139,328)</b>	<b>(137,773)</b>
<b>FINANCING ACTIVITIES</b>		
Increase in deferred contributions	16,407	17,815
<b>INVESTING ACTIVITIES</b>		
Purchase of short-term investments	(368,668)	(598,070)
Proceeds on sale of short-term investments	527,055	728,002
Purchase of capital assets	(1,860)	(272)
	<b>156,527</b>	<b>129,660</b>
<b>INCREASE IN CASH</b>	<b>33,606</b>	<b>9,702</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>14,886</b>	<b>5,184</b>
<b>CASH, END OF YEAR</b>	<b>48,492</b>	<b>14,886</b>

*(See accompanying Notes to Financial Statements)*

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**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**

*Year ended March 31, 2018*

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**1. PURPOSE OF ORGANIZATION**

The Organization is a not-for-profit organization which is committed to enhancing the quality of life and providing support programs for people living with and affected by cancer. Wellwood Resource Centre of Hamilton is a charitable organization incorporated without share capital under the Laws of Ontario and is exempt from income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**FINANCIAL INSTRUMENTS**

*Measurement of financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in excess of revenue over expenditures.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at fair value include short-term investments.

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in excess of revenue over expenditures. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess of revenue over expenditures up to the amount of the previously recognized impairment.



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**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**

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*Year ended March 31, 2018*

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING**

The Organization follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants and donations.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is to be used for the sustainability of the Organization.

**CAPITAL ASSETS AND AMORTIZATION**

Capital assets are recorded at cost. An impairment loss is recognized when a capital asset no longer has any long-term service potential to the Organization. Amortization is provided for at the following methods and rates which are designed to charge the cost of capital assets to income over their estimated useful lives:

Building	40 years	straight-line
Landscaping	10 years	straight-line
Leasehold improvements	15 years	straight-line
Parking lot	8%	diminishing balance
Signage	20%	diminishing balance
Furniture and equipment	20%	diminishing balance
Computer and communication equipment	20 - 55%	diminishing balance
Computer software	45%	diminishing balance

**REVENUE RECOGNITION**

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund as it is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources must be used for the sustainability of the Organization and is recognized as revenue of the General Fund.

**CONTRIBUTED MATERIALS AND SERVICES**

Contributed materials and services which are used in the normal course of operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated. Volunteers contribute a substantial number of hours each year to assist in carrying out the activities of the Organization. Due to the difficulty in determining their fair value, contributions of such services are not recognized in the financial statements.

**TRANSLATION OF FOREIGN CURRENCIES**

All foreign denominated monetary assets and liabilities are translated at the exchange rate prevailing at the year end and revenue and expenditures (other than amortization) at average rates of exchange during the period. Exchange gains and losses arising on the translation of the accounts are included in excess of revenue over expenditures. Non-monetary assets and liabilities are translated at historical rates of exchange.

**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**

*Year ended March 31, 2018*

**3. CAPITAL ASSETS**

	2018		2017	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Building	1,139,289	226,313	912,976	941,458
Landscaping	115,104	72,273	42,831	54,341
Leasehold improvements	109,672	38,209	71,463	78,774
Parking lot	16,786	7,015	9,771	10,621
Signage	22,688	15,801	6,887	6,515
Furniture and equipment	93,015	72,539	20,476	25,595
Artwork and antiques	105,234	-	105,234	105,234
Computer and communication equipment	41,588	39,564	2,024	2,724
Computer software	1,807	1,795	12	22
	<b>1,645,183</b>	<b>473,509</b>	<b>1,171,674</b>	<b>1,225,284</b>

**4. ACCOUNTS PAYABLE**

Included in the balance of accounts payable are other government remittances totalling \$4,472 (2017 - \$6,059).

**5. DEFERRED CONTRIBUTIONS**

The deferred contributions reported in the General Fund for the current year represents unspent resources relating to restricted donations and sponsorships received in the current period that is related to the subsequent period. Changes in deferred contributions balance are as follows:

	2018 \$	2017 \$
Deferred contributions, beginning of year	27,171	9,356
Donations revenue received during the year that are externally restricted	96,314	37,560
Fundraising revenue received during the year for next year's event	-	2,500
Recognized as revenue during the year	(79,907)	(22,245)
Deferred contributions, end of year	<b>43,578</b>	<b>27,171</b>

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**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**

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*Year ended March 31, 2018*

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**6. EXTERNALLY RESTRICTED FUND BALANCES**

Fund balances restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained permanently. The balance is comprised of:

	2018 \$	2017 \$
Juravinski Fund	2,000,000	2,000,000
Haynes Fund	76,687	76,687
Margaret Watson Fund	3,000	-
	<b>2,079,687</b>	<b>2,076,687</b>

**7. CHANGES IN NON-CASH WORKING CAPITAL**

	2018 \$	2017 \$
Accounts receivable	(491)	(1,094)
Inventories	638	(639)
Prepaid expenses and deposits	(35,606)	(3,284)
Accounts payable	28,883	1,745
	<b>(6,576)</b>	<b>(3,272)</b>

**8. FINANCIAL INSTRUMENTS**

**FOREIGN EXCHANGE RISK**

The Organization holds United States denominated short-term investments and is therefore subject to foreign exchange fluctuations. The Organization manages this risk by monitoring its United States dollar investments. As at March 31, 2018, the Organization has United States denominated cash and short-term investments in the amount of \$1,950 and \$658,910, respectively.

**MARKET RISK**

The Organization is exposed to market risk through its investments quoted in an active market. The Organization's investment portfolio is well diversified and there is no significant concentration of market risk.

