

WELLWOOD RESOURCE CENTRE OF HAMILTON

FINANCIAL STATEMENTS

MARCH 31, 2015



TAYLOR LEIBOW_{LLP}
ACCOUNTANTS AND ADVISORS

AN INDEPENDENT MEMBER OF DFK INTERNATIONAL

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Wellwood Resource Centre of Hamilton:

We have audited the accompanying financial statements of Wellwood Resource Centre of Hamilton, which comprise the statement of financial position as at March 31, 2015, 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 qualified audit opinion.



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INDEPENDENT AUDITOR'S REPORT (Continued)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenditures and cash flows from operations for the year ended March 31, 2015, current assets as at March 31, 2015 and fund balances as at April 1, 2014 and March 31, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Wellwood Resource Centre of Hamilton as at March 31, 2015, 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 18, 2015


WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF FINANCIAL POSITION

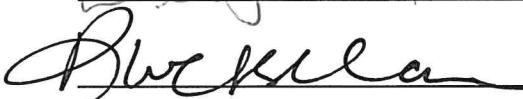
As at March 31

	2015	2014
	\$	\$
ASSETS		
CURRENT		
Cash	12,103	7,630
Short-term investments	2,430,513	2,417,939
Accounts receivable	9,454	5,747
Inventories	873	922
Prepaid expenses and deposits	6,683	6,309
	2,459,626	2,438,547
CAPITAL ASSETS (Note 3)	1,317,404	1,373,850
INCORPORATION COSTS	684	684
	3,777,714	3,813,081
LIABILITIES		
CURRENT		
Accounts payable (Note 4)	30,743	136,302
DEFERRED CONTRIBUTIONS (Note 5)	9,200	16,419
	39,943	152,721
FUND BALANCES		
INVESTED IN CAPITAL ASSETS	1,317,404	1,373,850
EXTERNALLY RESTRICTED (Note 6)	2,004,850	2,004,850
UNRESTRICTED	415,517	281,660
	3,737,771	3,660,360
	3,777,714	3,813,081

(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	Endowment	Total	Total
	Fund	Fund	2015	2014
	Unrestricted	Invested in		
	\$	Capital Assets	\$	\$
FUND BALANCES, BEGINNING OF YEAR	281,660	1,373,850	2,004,850	3,660,360
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	137,904	(60,493)	-	77,411
INVESTMENT IN CAPITAL ASSETS	(4,047)	4,047	-	-
FUND BALANCES, END OF YEAR	415,517	1,317,404	2,004,850	3,737,771
			3,660,360	

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF OPERATIONS

Year ended March 31

	General Fund \$	Endowment Fund \$	Total 2015 \$	Total 2014 \$
REVENUES				
Donations	125,670	-	125,670	81,593
Fundraising and other income	84,996	-	84,996	75,783
Investment income	63,068	-	63,068	58,163
Realized gain on investments	139,368	-	139,368	45,537
	413,102	-	413,102	261,076
EXPENDITURES				
Advertising, travel and promotion	5,917	-	5,917	1,598
Fundraising expenses	33,323	-	33,323	30,794
Insurance	11,387	-	11,387	10,686
Miscellaneous	1,635	-	1,635	1,780
Office expenses	46,918	-	46,918	45,110
Printing, postage and courier	6,813	-	6,813	5,495
Professional fees	29,293	-	29,293	25,206
Volunteer expenses	3,963	-	3,963	3,874
Wages and benefits	217,330	-	217,330	209,146
	356,579	-	356,579	333,689
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION AND UNREALIZED GAIN ON INVESTMENTS				
	56,523	-	56,523	(72,613)
AMORTIZATION				
	(60,493)	-	(60,493)	(65,404)
UNREALIZED GAIN ON INVESTMENTS				
	81,381	-	81,381	161,526
EXCESS OF REVENUES OVER EXPENDITURES				
	77,411	-	77,411	23,509

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF CASH FLOWS

Year ended March 31

	2015	2014
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenues over expenditures	77,411	23,509
Items not involving cash:		
Amortization	60,493	65,404
Realized gain on investments	(139,368)	(45,537)
Unrealized gain on investments	(81,381)	(161,526)
	(82,845)	(118,150)
Changes in non-cash working capital (<i>Note 7</i>)	(109,591)	(534)
	(192,436)	(118,684)
FINANCING ACTIVITIES		
Decrease in deferred contributions	(7,219)	(3,551)
INVESTING ACTIVITIES		
Decrease in short-term investments	208,175	57,076
Purchase of capital assets	(4,047)	(8,615)
	204,128	48,461
INCREASE (DECREASE) IN CASH	4,473	(73,774)
CASH, BEGINNING OF YEAR	7,630	81,404
CASH, END OF YEAR	12,103	7,630

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2015

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.

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2015

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.

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, 2015

3. CAPITAL ASSETS

	2015			2014
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Building	1,139,289	140,866	998,423	1,026,905
Landscaping	92,585	38,868	53,717	62,977
Leasehold improvements	109,672	16,275	93,397	100,710
Parking lot	16,786	4,238	12,548	13,639
Signage	20,827	10,647	10,180	12,725
Furniture and equipment	92,643	53,185	39,458	48,720
Artwork and antiques	105,234	-	105,234	102,200
Computer and communication equipment	41,316	36,942	4,374	5,842
Computer software	1,807	1,734	73	132
	1,620,159	302,755	1,317,404	1,373,850

4. ACCOUNTS PAYABLE

Included in the balance of accounts payable are other government remittances totalling \$5,275 (2014 - \$4,669).

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:

	2015 \$	2014 \$
Deferred contributions, beginning of year	16,419	19,970
Donations revenue received during the year that are externally restricted	10,700	9,680
Fundraising revenue received during the year for next year's event	3,500	-
Recognized as revenue during the year	(21,419)	(13,231)
Deferred contributions, end of year	9,200	16,419

6. EXTERNALLY RESTRICTED FUND BALANCES

Fund balances restricted for endowment purposes is subject to externally imposed restrictions stipulating that the resources be maintained permanently.

Original Endowment - Juravinski Fund \$2,000,000 - Haynes Fund \$ 4,850.

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2015

7. CHANGES IN NON-CASH WORKING CAPITAL

	2015 \$	2014 \$
Accounts receivable	(3,707)	(2,663)
Inventories	49	(3)
Prepaid expenses and deposits	(374)	(143)
Accounts payable	(105,559)	2,275
	(109,591)	(534)

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, 2015, the Organization has United States denominated cash and short-term investments in the amount of \$1,633 and \$678,668, 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.