

WELLWOOD RESOURCE CENTRE OF HAMILTON

FINANCIAL STATEMENTS

MARCH 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Wellwood Resource Centre of Hamilton:

Opinion

We have audited the financial statements of Wellwood Resource Centre of Hamilton, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Taylor Leibow LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Hamilton, Ontario
June 27, 2023

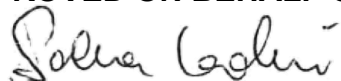
WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF FINANCIAL POSITION

As at March 31

	2023	2022
	\$	\$
ASSETS		
CURRENT		
Cash	11,109	22,002
Short-term investments	2,198,922	2,388,770
Accounts receivable	7,362	5,754
Inventories	3,773	3,773
Prepaid expenses and deposits	17,828	14,031
	2,238,994	2,434,330
CAPITAL ASSETS (Note 3)	1,034,430	1,041,229
	3,273,424	3,475,559
LIABILITIES		
CURRENT		
Accounts payable (Note 4)	23,504	23,969
Current portion of loans payable (Note 5)	40,000	-
	63,504	23,969
DEFERRED CONTRIBUTIONS (Note 6)	45,810	71,383
LOANS PAYABLE (Note 5)	-	40,000
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	16,361	-
	125,675	135,352
FUND BALANCES		
INVESTED IN CAPITAL ASSETS	1,034,430	1,041,229
EXTERNALLY RESTRICTED (Note 8)	2,079,687	2,079,687
UNRESTRICTED	33,632	219,291
	3,147,749	3,340,207
	3,273,424	3,475,559

(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

	<i>Year ended March 31</i>				
	General Fund		Endowment Fund	Total 2023	Total 2022
	Unrestricted	Invested in Capital Assets			
	\$	\$	\$	\$	\$
FUND BALANCES, BEGINNING OF YEAR	219,291	1,041,229	2,079,687	3,340,207	3,251,036
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(147,740)	(44,718)	-	(192,458)	89,171
INVESTMENT IN CAPITAL ASSETS	(37,919)	37,919	-	-	-
FUND BALANCES, END OF YEAR	33,632	1,034,430	2,079,687	3,147,749	3,340,207

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF OPERATIONS

Year ended March 31

	General Fund \$	Endowment Fund \$	Total 2023 \$	Total 2022 \$
REVENUES				
Donations	53,882	-	53,882	138,931
Fundraising grants and other income	214,857	-	214,857	163,859
Investment income	38,896	-	38,896	34,986
Realized gain on investments	68,288	-	68,288	45,269
Government COVID-19 assistance <i>(Notes 5 and 11)</i>	-	-	-	51,230
	375,923	-	375,923	434,275
EXPENDITURES				
Advertising, travel and promotion	1,205	-	1,205	814
Fundraising expenses	10,871	-	10,871	17,859
Insurance	14,811	-	14,811	12,536
Miscellaneous	2,152	-	2,152	2,211
Office expenses	63,396	-	63,396	62,652
Printing, postage and courier	2,160	-	2,160	1,647
Professional fees	33,955	-	33,955	36,455
Volunteer expenses	4,200	-	4,200	1,198
Wages and benefits	269,637	-	269,637	229,425
	402,387	-	402,387	364,797
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE THE FOLLOWING	(26,464)	-	(26,464)	69,478
AMORTIZATION	(44,718)	-	(44,718)	(51,815)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	(121,276)	-	(121,276)	71,508
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(192,458)	-	(192,458)	89,171

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF CASH FLOWS

Year ended March 31

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	(192,458)	89,171
Items not involving cash:		
Amortization	44,718	51,815
Realized gain on investments	(68,288)	(45,269)
Unrealized loss (gain) on investments	121,276	(71,508)
	(94,752)	24,209
Changes in non-cash working capital (<i>Note 10</i>)	(5,870)	14,745
	(100,622)	38,954
FINANCING ACTIVITIES		
Increase in deferred capital contributions	16,361	-
Increase (decrease) in deferred contributions	(25,573)	16,484
	(9,212)	16,484
INVESTING ACTIVITIES		
Purchase of short-term investments	(204,123)	(191,143)
Proceeds on sale of short-term investments	340,983	176,424
Purchase of capital assets	(37,919)	(39,783)
	98,941	(54,502)
INCREASE (DECREASE) IN CASH	(10,893)	936
CASH, BEGINNING OF YEAR	22,002	21,066
CASH, END OF YEAR	11,109	22,002

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

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 cost less any allowance for impairment.

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 and loans 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.

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 or its carrying amount may not be recoverable. 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
HVAC system	10 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.

Deferred contributions relating to capital assets are being amortized into income over the remaining useful life of the capital assets.

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.

WELLWOOD RESOURCE CENTRE OF HAMILTON**NOTES TO FINANCIAL STATEMENTS***Year ended March 31, 2023*

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3. CAPITAL ASSETS

	2023			2022
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Building	1,195,465	373,763	821,702	851,588
Artwork and antiques	133,534	-	133,534	120,034
Leasehold improvements	109,672	74,767	34,905	42,217
Furniture and equipment	105,482	93,766	11,716	14,645
Parking lot	16,786	10,346	6,440	7,000
Computer and communication equipment	55,082	47,555	7,527	2,939
Signage	22,688	20,444	2,244	2,805
Computer software	1,807	1,806	1	1
Landscaping	115,104	115,104	-	-
HVAC system	18,179	1,818	16,361	-
	1,773,799	735,733	1,034,430	1,041,229

4. ACCOUNTS PAYABLE

Included in the balance of accounts payable are other government remittances totalling \$6,764 (2022 - \$4,830).

5. LOANS PAYABLE

Canada Emergency Business Account loans of \$60,000, non-interest bearing until December 31, 2023, forgivable up to \$20,000, if repaid in full by December 31, 2023, otherwise bearing interest at 5% as of January 1, 2024 with the balance due no later than December 31, 2025.

The Organization will comply with the terms for forgiveness and therefore \$20,000 was recognized into income as government COVID assistance in 2021.

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

6. 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:

	2023	2022
	\$	\$
Deferred contributions, beginning of year	71,383	54,899
Donations received during the year that are externally restricted	96,378	67,745
Recognized as revenue during the year	(121,951)	(51,261)
Deferred contributions, end of year	45,810	71,383

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent externally restricted contributions received for the purchase of an HVAC system. The changes in deferred capital contributions balance are as follows:

	2023	2022
	\$	\$
Beginning balance	-	-
Restricted contributions received during the year	18,179	-
Amount amortized to revenue	(1,818)	-
Ending balance	16,361	-

8. 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:

	2023	2022
	\$	\$
Juravinski Fund	2,000,000	2,000,000
Haynes Fund	76,687	76,687
Margaret Watson Fund	3,000	3,000
	2,079,687	2,079,687

9. CHANGES IN NON-CASH WORKING CAPITAL

	2023	2022
	\$	\$
Accounts receivable	(1,608)	12,506
Inventories	-	(3,077)
Prepaid expenses and deposits	(3,797)	1,399
Accounts payable	(465)	3,917
	(5,870)	14,745

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

10. 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, 2023, the Organization has United States denominated cash and short-term investments in the amount of \$625 (2022 - \$563) and \$661,100 (2022 - \$808,246), respectively.

LIQUIDITY RISK

The Organization does have a liquidity risk in the loans payable. Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipated investing and financing activities and holding assets that can be readily converted into cash. In the opinion of management the liquidity risk exposure to the Organization is low and is not material. The Organization's liquidity risk has remained unchanged from the prior year.

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. The book value and market value of the investment portfolio as of March 31, 2023 was \$1,648,984 (2022 - \$1,717,555) and 2,198,922 (2022 - \$2,388,770) respectively. The Organization's market risk has remained unchanged from the prior year.

11. COVID-19 GOVERNMENT ASSISTANCE

The Organization has taken steps to mitigate the impact of the crisis. The Organization was eligible for grants under the Canada Emergency Wage Subsidy program and received grants of \$164,378 for the periods from March 15, 2020 to October 23, 2021, of which \$NIL (2022 - \$51,230) is reflected in these financial statements as government COVID-19 assistance. The CEWS program concluded as of October 2021.