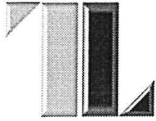


WELLWOOD RESOURCE CENTRE OF HAMILTON

FINANCIAL STATEMENTS

MARCH 31, 2011



AUDITORS' REPORT

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, 2011, 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 generally accepted accounting principles, 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.



TAYLOR LEIBOW_{LLP}
ACCOUNTANTS AND ADVISORS

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AUDITORS' REPORT (Continued)

Basis for Qualified Opinion

In common with many charitable 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 revenue over expenditures, current assets and fund balances.

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, 2011, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Taylor Leibow LLP

CHARTERED ACCOUNTANTS
Licensed Public Accountants

Hamilton, Ontario
June 17, 2011

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF FINANCIAL POSITION


As at March 31

	2011 \$	2010 \$
ASSETS		
CURRENT		
Cash	82,921	298,928
Short-term investments	2,224,805	2,152,622
Accounts receivable	10,213	10,133
Inventories	994	962
Prepaid expenses and deposits	37,767	47,389
	2,356,700	2,510,034
CAPITAL ASSETS (Note 3)	1,291,891	922,365
INCORPORATION COSTS	684	684
	3,649,275	3,433,083
LIABILITIES		
CURRENT		
Accounts payable	106,581	11,487
DEFERRED CONTRIBUTIONS (Note 4)	6,246	5,641
	112,827	17,128
FUND BALANCES		
INVESTED IN CAPITAL ASSETS	1,291,891	922,365
EXTERNALLY RESTRICTED (Note 5)	2,002,000	2,378,202
UNRESTRICTED	242,557	115,388
	3,536,448	3,415,955
	3,649,275	3,433,083

(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	Invested in Capital Assets	Building Fund	Stability Fund	Endowment Fund	Total 2011	Total 2010
	\$	\$	\$	\$	\$	\$	\$
FUND BALANCES, BEGINNING OF YEAR	115,388	922,365	-	378,202	2,000,000	3,415,955	3,001,065
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	107,441	(43,788)	54,840	-	2,000	120,493	414,890
INTERFUND TRANSFERS (Note 6)	19,728	413,314	(54,840)	(378,202)	-	-	-
FUND BALANCES, END OF YEAR	242,557	1,291,891	-	-	2,002,000	3,536,448	3,415,955

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF OPERATIONS

Year ended March 31

	General Fund \$	Building Fund \$	Stability Fund \$	Endowment Fund \$	Total 2011 \$	Total 2010 \$
REVENUES						
Donations	31,791	46,435	-	2,000	80,226	84,151
Donations in kind	-	52,598	-	-	52,598	51,989
Trillium Foundation grant	27,180	-	-	-	27,180	25,425
Partnership funds	90,000	-	-	-	90,000	90,000
Fundraising and other income	75,226	6,773	-	-	81,999	116,449
Investment income	58,526	3,202	-	-	61,728	77,688
Unrealized gain on investments	110,142	-	-	-	110,142	245,888
	392,865	109,008	-	2,000	503,873	691,590
EXPENDITURES						
Advertising, travel and promotion	737	-	-	-	737	2,618
Amortization	43,788	-	-	-	43,788	536
Bad debts	-	-	-	-	-	7,500
Fundraising expenses	25,339	10,342	-	-	35,681	46,819
Insurance	10,038	-	-	-	10,038	6,317
Miscellaneous	2,067	1,797	-	-	3,864	3,893
Office expenses	44,742	12,918	-	-	57,660	13,891
Printing, postage and courier	7,584	-	-	-	7,584	8,668
Professional fees	15,190	13,920	-	-	29,110	20,789
Volunteer expenses	4,375	-	-	-	4,375	3,649
Wages and benefits	175,352	15,191	-	-	190,543	162,020
	329,212	54,168	-	-	383,380	276,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	63,653	54,840	-	2,000	120,493	414,890

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON
STATEMENT OF CASH FLOWS

Year ended March 31

	2011	2010
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Items not involving cash:		
Excess of revenues over expenditures	120,493	414,890
Amortization	43,788	536
Realized loss (gain) on investments	(591)	2,050
Unrealized gain on investments	(110,142)	(245,887)
	53,548	171,589
Changes in non-cash working capital (<i>Note 7</i>)	104,604	(37,946)
	158,152	133,643
FINANCING ACTIVITIES		
Increase (decrease) in deferred contributions	605	(19,210)
INVESTING ACTIVITIES		
Decrease in short-term investments	38,550	629,826
Purchase of capital assets	(413,314)	(673,815)
	(374,764)	(43,989)
INCREASE (DECREASE) IN CASH	(216,007)	70,444
CASH, BEGINNING OF YEAR	298,928	228,484
CASH, END OF YEAR	82,921	298,928

(See accompanying Notes to Financial Statements)

WELLWOOD RESOURCE CENTRE OF HAMILTON

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2011

1. PURPOSE OF ORGANIZATION

The Organization is a charitable 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 have been prepared by management in accordance with Canadian generally accepted accounting principles, applied on a basis consistent with prior years, and include the following significant accounting policies:

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include the valuation of the allowance for doubtful accounts, amortization and impairment assessments. Actual results could differ from those estimates.

FINANCIAL ASSETS AND LIABILITIES

The following is a summary of the accounting model the Organization has elected to apply to each of its significant categories of financial instruments outstanding at March 31, 2011:

Cash	- Held for trading
Short-term investments	- Held for trading
Accounts receivables	- Loans and receivables
Accounts payable	- Other financial liabilities

On initial recognition, all financial assets and liabilities are measured and recognized at fair value. Financial assets and liabilities are then measured and recognized as follows:

Financial assets held for trading

Financial assets held for trading are measured at fair value and any changes in fair value are recognized in excess of revenues over expenses and are presented under unrealized gain (loss) on investments.

Loans and receivables and other financial liabilities

Loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method (including any impairment for financial assets). Interest calculated using the effective interest method is presented in excess of revenues over expenses under investment income.

WELLWOOD RESOURCE CENTRE OF HAMILTON

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2011

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.

The Building Fund reports only restricted resources that are to be used for the building expansion.

The Stability Fund reports only restricted resources that have been designated to be used for the construction of the building until completed.

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. 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
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 held for the sustainability of the Organization and is recognized as revenue of the General Fund. Investment income earned on the Building Fund resources that must be spent on the building expansion is recognized as revenue of the Building Fund. Unrestricted investment income earned on the Building Fund resources 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 expenses (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 income. 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, 2011

3. CAPITAL ASSETS

	2011			2010
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Building	1,101,293	27,532	1,073,761	881,759
Landscaping	43,775	4,378	39,397	-
Signage	9,044	904	8,140	-
Furniture and equipment	60,863	8,387	52,476	873
Artwork and antiques	89,700	-	89,700	39,200
Computer and communications equipment	40,805	13,788	27,017	533
Computer software	1,807	407	1,400	-
	1,347,287	55,396	1,291,891	922,365

During the year the Organization substantially completed construction of a new building used by the Organization at cost of \$1,101,293. The estimated cost to complete the building is \$31,000. The Organization has a signed proposal for landscaping in the amount of \$68,713. As at March 31, 2011 a total of \$43,775 had been paid. The estimated cost to complete the landscaping is \$56,978. These amounts were funded by the Organization's ongoing building campaign and contributions from the stability fund.

The Organization is currently negotiating a lease for the land upon which the building is located.

4. DEFERRED CONTRIBUTIONS

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

	2011 \$	2010 \$
Deferred contributions, beginning of year	5,641	24,851
Grants received during the year	32,200	-
Partnership funds received during the year for the next fiscal year	-	3,750
Fundraising revenue received during the year for next year's event	1,800	2,465
Recognized as revenue during the year	(33,395)	(25,425)
Deferred contributions, end of year	6,246	5,641

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2011

5. EXTERNALLY RESTRICTED NET ASSETS

Major categories of externally imposed restrictions on net assets are as follows:

	2011 \$	2010 \$
Restricted for stability purposes	-	378,202
Endowments, the income from which must be used for sustainability of the Organization	2,002,000	2,000,000
	2,002,000	2,378,202

6. INTERNALLY RESTRICTED NET ASSETS AND INTERFUND TRANSFERS

In 2011, \$54,840 and \$358,474 were transferred from the Building Fund and the Stability Fund, respectively, in order to fund the cash outlays for capital asset acquisitions of the General Fund. The \$19,728 remaining balance in the Stability Fund was then transferred to the General Fund as the construction of the building was substantially completed.

7. CHANGES IN NON-CASH WORKING CAPITAL

	2011 \$	2010 \$
Accounts receivable	(80)	6,304
Inventories	(32)	437
Prepaid expenses and deposits	9,622	(40,842)
Accounts payable	95,094	(3,845)
	104,604	(37,946)

8. CONTINGENCIES

LETTERS OF CREDIT

The Organization is contingently liable for an outstanding letter of credit related to the construction of the building in the amount of \$95,571 (2010 - \$95,571) and is secured by a guaranteed investment certificate in the amount of \$100,300. As at March 31, 2011, the Organization has not recorded a liability with respect to this letter of credit as it does not expect to make any payments.

9. 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, 2011, the Organization has United States denominated cash and short-term investments in the amount of \$648 and \$485,813, respectively.

WELLWOOD RESOURCE CENTRE OF HAMILTON
NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2011

10. CAPITAL DISCLOSURES

For its own purposes, the Organization defines capital as the sum of its fund balances. Externally imposed requirements on donations for specific purposes as directed by the donor are recognized in the restricted funds balance as described in Note 2.

The Organization's capital is calculated as follows:

	2011	2010
	\$	\$
Fund balances		
Invested in capital assets	1,291,891	922,365
Externally restricted	2,002,000	2,378,202
Unrestricted	242,557	115,388
Total capital	3,536,448	3,415,955

The Organization's objectives when managing capital are to match generally the structure of its capital to the underlying nature and term of the assets being financed, and to hold sufficient cash and short-term investments to enable it to withstand negative unexpected financial events, in order to maintain stability in the financial structure. The Organization seeks to minimize the exposure to financial leverage and variable rate financial obligations and to maintain sufficient liquidity and short term borrowing capacity to enable it to meet its obligations as they become due.

11. COMPARATIVE INFORMATION

Certain financial information of the prior year has been re-stated in order to conform with the presentation adopted in the current reporting period.