

**WELLWOOD RESOURCE CENTRE OF HAMILTON**

**FINANCIAL STATEMENTS**

**MARCH 31, 2022**



**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:

### *Opinion*

We have audited the financial statements of Wellwood Resource Centre of Hamilton, which comprise the statement of financial position as at March 31, 2022, 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, 2022, 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.

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## INDEPENDENT AUDITOR'S REPORT (Continued)

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### *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.

*Paylor Leibow LLP*

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

Hamilton, Ontario  
June 28, 2022


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

*As at March 31*

	2022	2021
	\$	\$
<b>ASSETS</b>		
CURRENT		
Cash	22,002	21,066
Short-term investments	2,388,770	2,257,274
Accounts receivable	5,754	18,260
Inventories	3,773	696
Prepaid expenses and deposits	14,031	15,430
	<b>2,434,330</b>	<b>2,312,726</b>
CAPITAL ASSETS (Note 3)	<b>1,041,229</b>	<b>1,053,261</b>
	<b>3,475,559</b>	<b>3,365,987</b>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable (Note 4)	23,969	20,052
DEFERRED CONTRIBUTIONS (Note 5)	71,383	54,899
LOANS PAYABLE (Note 6)	40,000	40,000
	<b>135,352</b>	<b>114,951</b>
<b>FUND BALANCES</b>		
INVESTED IN CAPITAL ASSETS	1,041,229	1,053,261
EXTERNALLY RESTRICTED (Note 7)	2,079,687	2,079,687
UNRESTRICTED	219,291	118,088
	<b>3,340,207</b>	<b>3,251,036</b>
	<b>3,475,559</b>	<b>3,365,987</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
	Unrestricted	Invested in Capital Assets	Fund	2022
	\$	\$	\$	Total 2021
FUND BALANCES, BEGINNING OF YEAR	118,088	1,053,261	2,079,687	3,251,036
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	140,986	(51,815)	-	89,171
INVESTMENT IN CAPITAL ASSETS	(39,783)	39,783	-	-
<b>FUND BALANCES, END OF YEAR</b>	<b>219,291</b>	<b>1,041,229</b>	<b>2,079,687</b>	<b>3,340,207</b>

(See accompanying Notes to Financial Statements)

**WELLWOOD RESOURCE CENTRE OF HAMILTON**  
**STATEMENT OF OPERATIONS**

*Year ended March 31*

	General Fund \$	Endowment Fund \$	Total 2022 \$	Total 2021 \$
<b>REVENUES</b>				
Donations	138,931	-	138,931	44,995
Fundraising and other income	163,859	-	163,859	164,287
Investment income	34,986	-	34,986	39,489
Realized gain on investments	45,269	-	45,269	41,649
Government COVID-19 assistance <i>(Notes 6 and 10)</i>	51,230	-	51,230	133,148
	<b>434,275</b>	<b>-</b>	<b>434,275</b>	<b>423,568</b>
<b>EXPENDITURES</b>				
Advertising, travel and promotion	814	-	814	388
Fundraising expenses	17,859	-	17,859	6,368
Insurance	12,536	-	12,536	12,391
Miscellaneous	2,211	-	2,211	1,923
Office expenses	62,652	-	62,652	39,747
Printing, postage and courier	1,647	-	1,647	2,982
Professional fees	36,455	-	36,455	34,486
Volunteer expenses	1,198	-	1,198	198
Wages and benefits	229,425	-	229,425	233,905
	<b>364,797</b>	<b>-</b>	<b>364,797</b>	<b>332,388</b>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE THE FOLLOWING	69,478	-	69,478	91,180
AMORTIZATION	(51,815)	-	(51,815)	(57,517)
UNREALIZED GAIN ON INVESTMENTS	71,508	-	71,508	124,193
EXCESS OF REVENUES OVER EXPENDITURES	89,171	-	89,171	157,856

*(See accompanying Notes to Financial Statements)*

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

*Year ended March 31*

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	89,171	157,856
Items not involving cash:		
Amortization	51,815	57,517
Forgivable portion of loans payable recorded as government assistance	-	(20,000)
Realized gain on investments	(45,269)	(41,649)
Unrealized gain on investments	(71,508)	(124,193)
	<b>24,209</b>	<b>29,531</b>
Changes in non-cash working capital <i>(Note 8)</i>	14,745	3,960
	<b>38,954</b>	<b>33,491</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds of loans payable	-	60,000
Increase in deferred contributions	16,484	6,904
	<b>16,484</b>	<b>66,904</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of short-term investments	(191,143)	(785,443)
Proceeds on sale of short-term investments	176,424	701,143
Purchase of capital assets	(39,783)	(1,017)
	<b>(54,502)</b>	<b>(85,317)</b>
INCREASE IN CASH	936	15,078
CASH, BEGINNING OF YEAR	21,066	5,988
CASH, END OF YEAR	22,002	21,066

*(See accompanying Notes to Financial Statements)*

**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.



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

*Year ended March 31, 2022*

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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 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
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.

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**WELLWOOD RESOURCE CENTRE OF HAMILTON****NOTES TO FINANCIAL STATEMENTS***Year ended March 31, 2022*

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**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**

	2022			2021
	Cost	Accumulated	Net	Net
	\$	\$	\$	\$
Building	1,195,465	343,877	851,588	857,552
Landscaping	115,104	115,104	-	8,300
Leasehold improvements	109,672	67,455	42,217	49,528
Parking lot	16,786	9,786	7,000	7,609
Signage	22,688	19,883	2,805	3,506
Furniture and equipment	105,482	90,837	14,645	18,307
Artwork and antiques	120,034	-	120,034	105,234
Computer and communication equipment	48,843	45,904	2,939	3,223
Computer software	1,807	1,806	1	2
	<b>1,735,881</b>	<b>694,652</b>	<b>1,041,229</b>	<b>1,053,261</b>

**4. ACCOUNTS PAYABLE**

Included in the balance of accounts payable are other government remittances totalling \$4,830 (2021 - \$5,128).

**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:

	2022	2021
	\$	\$
Deferred contributions, beginning of year	54,899	47,995
Donations received during the year that are externally restricted	67,745	59,004
Recognized as revenue during the year	(51,261)	(52,100)
Deferred contributions, end of year	71,383	54,899

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

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*Year ended March 31, 2022*

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**6. 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.

**7. 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:

	2022	2021
	\$	\$
Juravinski Fund	2,000,000	2,000,000
Haynes Fund	76,687	76,687
Margaret Watson Fund	3,000	3,000
	<b>2,079,687</b>	<b>2,079,687</b>

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

	2022	2021
	\$	\$
Accounts receivable	12,506	4,367
Inventories	(3,077)	-
Prepaid expenses and deposits	1,399	(985)
Accounts payable	3,917	578
	<b>14,745</b>	<b>3,960</b>

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

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*Year ended March 31, 2022*

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**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, 2022, the Organization has United States denominated cash and short-term investments in the amount of \$563 and \$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.

**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.

**10. COVID-19**

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization has determined that these events have not had a significant financial impact on its ongoing operations. Management continues to monitor the budget and provide continuing levels of operations and service. The Organization applied for and received the Canada Emergency Wage Subsidy (CEWS). CEWS entitlement during the year ending March 31, 2022 was \$51,230 (2021 - \$113,148).

The duration and impact of the pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position of the Organization for future periods.