Financial Statements of

THE WELLSPRING CANCER SUPPORT FOUNDATION

And Independent Auditor's Report thereon

Year ended March 31, 2025

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Wellspring Cancer Support Foundation

Qualified Opinion

We have audited the financial statements of The Wellspring Cancer Support Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effect of the matter described in the ***"Basis for Qualified Opinion"*** section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2025 and March 31, 2024
- the donations revenue and deficiency of revenue over expenses reported in the statements of operations for the years ended March 31, 2025 and March 31, 2024
- the unrestricted net assets at the beginning and end of the year reported in the statements of changes in net assets for the years ended March 31, 2025 and March 31, 2024
- the deficiency of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2025 and March 31, 2024.

Our opinion on the financial statements for the year ended March 31, 2024 was qualified accordingly because of the possible effects of this limitation in scope.

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 auditor's report.

We are independent of the Entity 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 qualified 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 the 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.

KPMG

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 Entity'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 Entity'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 Entity 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.

- Communicate 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 4, 2025

THE WELLSPRING CANCER SUPPORT FOUNDATION

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 264,444	$ 435,587
Fixed income investments (note 2)	3,680,455	4,138,340
Equity investments (note 3)	2,864,938	2,651,198
Accounts receivable	241,538	173,153
Prepaid expenses and deposits	72,683	98,906
	7,124,058	7,497,184
Capital assets (note 4)	3,022,160	3,305,211
	$ 10,146,218	$ 10,802,395
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued charges	$ 1,063,452	$ 1,042,452
Deferred revenue (note 5)	356,000	179,349
	1,419,452	1,221,801
Deferred contributions (note 6)	2,597,253	2,896,337
Net assets:		
Restricted (note 7)	1,695,466	1,685,466
Invested in capital assets	468,808	428,700
Unrestricted	3,965,239	4,570,091
	6,129,513	6,684,257
Commitments (note 8)		
	$ 10,146,218	$ 10,802,395

See accompanying notes to financial statements.

On behalf of the Board:

D. McDonald

D'Arcy McDonald Director

Director

PAUL ELDRIDGE

THE WELLSPRING CANCER SUPPORT FOUNDATION

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Donations (note 5)	$ 1,998,441	$ 1,944,933
Special events (note 5)	1,281,694	1,081,208
Investment income	330,534	242,723
Amortization of deferred contributions (note 6)	323,160	280,323
Other	193,932	127,397
Social enterprise (note 5)	157,653	158,853
Unrealized gain on investments	134,868	416,889
	4,420,282	4,252,326
Expenses:		
Program (note 9)	3,083,296	2,937,884
Fundraising	628,662	595,654
Special events	608,306	464,653
Amortization of capital assets	391,927	296,227
Administration	174,183	75,628
Public awareness	98,652	84,983
	4,985,026	4,455,029
Deficiency of revenue over expenses	$ (564,744)	$ (202,703)

See accompanying notes to financial statements.

THE WELLSPRING CANCER SUPPORT FOUNDATION

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	Restricted (note 7)	Invested in capital assets	Unrestricted	2025 Total	2024 Total
Net assets, beginning of year	$ 1,685,466	$ 428,700	$ 4,570,091	$ 6,684,257	$ 6,886,960
Deficiency of revenue over expenses	–	(68,767)	(495,977)	(564,744)	(202,703)
Additions to endowments	10,000	–	–	10,000	–
Additions to capital assets, net of amounts funded by deferred capital contributions	–	108,875	(108,875)	–	–
Net assets, end of year	$ 1,695,466	$ 468,808	$ 3,965,239	$ 6,129,513	$ 6,684,257

See accompanying notes to financial statements.

THE WELLSPRING CANCER SUPPORT FOUNDATION

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	$ (564,744)	$ (202,703)
Items not involving cash:		
Amortization of deferred contributions	(323,160)	(280,323)
Amortization of capital assets	391,927	296,227
Unrealized gain on investments	(134,868)	(416,889)
	(630,845)	(603,688)
Change in non-cash operating working capital:		
Accounts receivable	(68,385)	(14,459)
Prepaid expenses and deposits	26,223	60,659
Accounts payable and accrued charges	21,000	101,150
Deferred revenue	176,651	78,762
	(475,356)	(377,576)
Financing activities:		
Deferred contributions received, net	24,076	69,826
Endowments received	10,000	–
	34,076	69,826
Investing activities:		
Decrease in fixed income investments, net	540,047	665,950
Increase in equity investments, net	(151,034)	(39,288)
Increase in endowment fund	(10,000)	–
Additions to capital assets	(108,876)	(269,307)
	270,137	357,355
Increase (decrease) in cash	(171,143)	49,605
Cash, beginning of year	435,587	385,982
Cash, end of year	$ 264,444	$ 435,587

See accompanying notes to financial statements.

The Wellspring Cancer Support Foundation ("Wellspring") opened on May 1, 1992 for the purpose of providing: support programs and services for people and their families living with cancer; opportunities for the development of self-help skills leading to an enhanced quality of life; access to information; education for health care professionals; and evaluation and research into the benefits of supportive care. Wellspring was previously incorporated, without share capital, under the Canada Corporations Act on January 19, 1996, is a registered charity and, therefore, exempt from income taxes under the Income Tax Act (Canada). Wellspring was continued under the Canada Not-for-profit Corporations Act in October 2014.

Wellspring provides its programs and services at two physical locations: Wellspring Westerkirk House (opened December 1999), in Toronto, Ontario, on the campus of the Sunnybrook Health Sciences Centre; and Wellspring Birmingham Gilgan House (opened July 2000), in Oakville, Ontario, to serve the regions of Halton and Peel. Certain programs are also delivered in other venues, such as hospitals. Wellspring also serves other regions across Canada through a national, online program-delivery platform.

There are affiliated Wellspring centres in Brampton, Niagara and London, Ontario, and in Calgary and Edmonton, Alberta. These affiliates are separately incorporated and separately governed.

Wellspring receives no core government funding.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition:

Wellspring follows the deferral method of accounting for contributions. Restricted donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations are recognized as revenue when received.

1. **Significant accounting policies (continued):**

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate of the related capital assets. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned. Investment income earned on endowment funds is recognized as revenue when earned.

Pledges are recognized when money is received.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. Wellspring has irrevocably elected to carry investments in fixed income securities at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, Wellspring determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount Wellspring expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to Wellspring's ability to provide services, its carrying amount is written down to its residual value.

1. Significant accounting policies (continued):

Capital assets are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and equipment	5 years
Computer hardware	3 years
Digital platform	5 years
Leasehold improvements	10 - 25 years

Artwork is not amortized.

(d) Donated materials and services:

Wellspring recognizes the contribution of materials at fair value when it can be reasonably estimated, when it is used in the normal course of operations and would have been otherwise purchased. Because of the difficulty in determining the fair value, contributed services and volunteer time is not recognized in the financial statements.

(e) Cloud computing arrangements:

On April 1, 2024, Wellspring adopted AcG-20, Customer's accounting for cloud computing arrangements ("AcG-20"). In accordance with AcG-20, Wellspring has elected to apply the simplification approach in accounting for its expenditures in a cloud computing arrangement. Wellspring recognizes the expenditures in the cloud computing arrangements as a supply of services. As such, Wellspring recognizes the expenditure as an expense when it receives the services.

(f) Use of estimates:

The preparation of Wellspring's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

2. Fixed income investments:

	2025	2024
Money market funds	$ 387,044	$ 960,743
Fixed income securities	3,293,411	3,177,597
	$ 3,680,455	$ 4,138,340

Fixed income securities include investments in corporate, crown corporation, government of Canada and provincial bond and notes.

3. Equity investments:

In 2014, the finance committee proposed, and the Board of Directors adopted an investment policy allowing for a portion of the deferred capital to be invested in equity funds managed by Jarislowsky Fraser Ltd.

	2025	2024
Canadian equity fund	$ 1,120,380	$ 1,066,534
Global equity fund	1,744,558	1,584,664
	$ 2,864,938	$ 2,651,198

Endowment funds in the amount of $457,430 (2024 - $447,430) are included in equity investments.

4. Capital assets:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Furniture and equipment	$ 444,250	$ 421,290	$ 22,960	$ 25,525
Computer hardware	355,041	334,707	20,334	37,988
Digital platform	705,170	108,685	596,485	622,750
Leasehold improvements	5,824,113	3,630,751	2,193,362	2,429,929
Artwork	189,019	–	189,019	189,019
	$ 7,517,593	$ 4,495,433	$ 3,022,160	$ 3,305,211

5. Deferred revenue:

	2025	2024
Balance, beginning of year	$ 179,349	$ 100,587
Contributions received:		
Peloton Challenge	–	18,237
Other	339,058	129,494
Amounts recognized as revenue:		
Peloton Challenge	(18,236)	(4,987)
Other	(144,171)	(63,982)
Balance, end of year	$ 356,000	$ 179,349

The amount recognized as revenue is included in donations, special events and social enterprise revenues in the statement of operations.

6. Deferred contributions:

Deferred contributions represent contributions and donations in-kind for capital assets and other projects. The changes in the deferred contributions balance during the year are as follows:

	2024	Additions	Amortization	Transfer from operating to capital	2025
Capital:					
Westerkirk House	$ 1,037,229	$ –	$ (157,341)	$ –	$ 879,888
Birmingham Gilgan House	1,282,963	21,902	(94,671)	–	1,210,194
Digital platform	516,654	174	(48,678)	19,826	487,976
Computers	28,233	–	(19,492)	–	8,741
Equipment	11,432	–	(2,978)	–	8,454
	2,876,511	22,076	(323,160)	19,826	2,595,253
Operating:					
Fidelity - IT/website	19,826	2,000	–	(19,826)	2,000
	$ 2,896,337	$ 24,076	$ (323,160)	$ –	$ 2,597,253

7. Restricted net assets:

	2025	2024
Externally restricted for endowment	$ 457,430	$ 447,430
Internally restricted	1,238,036	1,238,036
	$ 1,695,466	$ 1,685,466

Internally restricted net assets have been designated by the Board of Directors to be used for working capital purposes. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

8. Commitments:

Wellspring leases office equipment under an operating lease expiring in 2030. Future minimum lease payments under this lease are as follows:

2026	$ 5,332
2027	5,332
2028	5,332
2029	5,332
2030	6,665
	$ 27,993

Wellspring leases premises for nominal fees under long-term leases for the operations of two of its centres. The Westerkirk House lease expires in 2029 and the Birmingham Gilgan House expires in 2039. Both leases include an option to extend the terms of the lease.

9. Cloud computing arrangements:

Included in program expenses is $60,731 (2024 - $72,627) of software licensing and subscription costs.

10. Financial risks:

(a) Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all of Wellspring's investments are carried at fair value with fair value changes recognized in the statement of operations, all changes in market conditions will directly result in an increase (decrease) in the excess (deficiency) of revenue over expenses. There has been no change to the risk exposure from 2024.

(b) Credit risk:

Credit risk arises as a result of the possibility that one party to a financial instrument will fail to discharge an obligation and cause Wellspring to incur a financial loss. Wellspring manages this risk by diversifying its portfolio and by dealing with reputable and creditworthy counterparties. There has been no change to the risk exposure from 2024.

(c) Interest rate risk:

Interest rate risk is the risk to Wellspring's earnings that arise from fluctuations in interest rates and the degree of volatility of these rates. Wellspring is exposed to interest rate risk and its effect on interest income. The risk is low since interest income is not a major component of total revenue. Changes in interest may also affect the value of equity securities. The interest rate risk exposure is managed through the Board of Directors - approved policy of allocation of investable assets.

The fixed income securities have yields varying from 1.10% to 5.60% (2024 - 1.25% to 6.03%) with maturity dates ranging from November 17, 2025 to January 24, 2035 (2024 - February 3, 2025 to September 7, 2033). The value of fixed income securities will vary with developments within the specific companies or governments which issue the securities. There has been no change to risk exposure from 2024.