

Wellspring Chinguacousy Foundation

Financial Statements

Year ended March 31, 2024

Wellspring Chinguacousy Foundation

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For the year ended March 31, 2024

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Independent Auditors' Report

To the members of

Wellspring Chinguacousy Foundation

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Wellspring Chinguacousy Foundation ("the Foundation"), which comprises the statement of financial position as at March 31, 2024, and the statement of revenues and expenditures, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the "Basis for Qualified Opinion" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of Wellspring Chinguacousy Foundation as at March 31, 2024, 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 Qualified Opinion

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

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

- the current assets reported in the statement of financial position as at March 31, 2024
- the donations revenue and excess (deficiency) of revenue over expenses reported in the statement of revenues and expenditures for the year ended March 31, 2024
- the unrestricted net assets at the beginning and end of the year reported in the statement of changes in net assets for the year ended March 31, 2024
- the excess (deficiency) of revenue over expenses reported in the statement of cash flows for the year ended March 31, 2024.

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 Foundation 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.

Other matter

The financial statements of Wellspring Chinguacousy Foundation for the year ended March 31, 2023 were audited by a predecessor auditor who expressed a qualified opinion on those statements on September 27, 2023.

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 Foundation'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 Foundation or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 independent 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent 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 independent auditor's report. However, future events or conditions may cause the Foundation 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 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Rajit Paruchuri, CPA, CA.

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
September 13, 2024

Wellspring Chinguacousy Foundation

Statement of Financial Position

As at March 31, 2024

	Notes	2024	2023
Assets			
Current assets			
Cash		\$ 155,251	\$ 17,060
Term deposits		-	216,493
Accounts receivable		128,248	56,919
Interest receivable		-	1,468
Prepaid expenses		5,000	7,203
		288,499	299,143
Capital assets	4	908,668	944,619
Long term investments	3	886,198	806,888
		\$ 2,083,365	\$ 2,050,650
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 42,954	\$ 49,775
Deferred revenue	5	35,806	-
		78,760	49,775
Deferred capital contributions	6	535,792	568,414
Long term debt	7	-	40,000
		614,552	658,189
Net assets			
Unrestricted net assets		(466,187)	(542,539)
Restricted net assets - facility reserve		235,000	235,000
Restricted net assets - forever fund		1,000,000	1,000,000
Restricted net assets - endowment		700,000	700,000
		1,468,813	1,392,461
		\$ 2,083,365	\$ 2,050,650

Approved:





The accompanying notes are an integral part of these financial statements

Wellspring Chinguacousy Foundation

Statement of Revenues and Expenditures

For the year ended March 31, 2024

	Notes	2024	2023
Revenue			
Fundraising		\$ 485,376	\$ 337,036
Amortization of deferred capital contributions		32,621	32,779
Receipted donations - cash		73,712	31,837
Grant revenue		150,807	10,082
Planned giving		85,000	7,652
Interest income		749	2,223
Investment income (expense) on endowment fund	8	96,050	(6,870)
		924,315	414,739
Expenses			
Accounting		14,649	14,243
Amortization		35,951	34,341
Computer software		15,861	6,437
Consulting		229,624	207,800
Employee benefits		28,006	17,068
Fundraising		143,833	146,743
Insurance		13,122	11,779
Interest and bank charges		6,706	9,103
Investment management fees		16,578	16,091
Office and general		9,934	15,070
Property taxes		16,892	14,592
Repairs and maintenance		28,767	27,149
Salaries and wages		199,405	160,347
Telephone		11,987	10,654
Training		3,223	5,688
Utilities		9,071	9,855
Volunteer and outreach		5,120	5,373
Workshop		59,234	54,177
		847,963	766,510
Excess (deficiency) of revenue over expenses		\$ 76,352	\$ (351,771)

The accompanying notes are an integral part of these financial statements

Wellspring Chinguacousy Foundation

Statement of Changes in Net Assets

As at March 31, 2024

	Unrestricted net assets	Restricted net asset - facility reserve	Restricted net asset - forever fund	Restricted net asset - endowment	Total 2024	Total 2023
Net assets, begininng of year	\$ (542,539)	\$ 235,000	\$ 1,000,000	\$ 700,000	\$ 1,392,461	\$ 1,744,232
Excess of revnue over expenses	76,352	-	-	-	76,352	(351,771)
Net assets, end of year	\$ (466,187)	\$ 235,000	\$ 1,000,000	\$ 700,000	\$ 1,468,813	\$ 1,392,461

The accompanying notes are an integral part of these financial statements

Wellspring Chinguacousy Foundation

Statement of Cash Flows

For the year ended March 31, 2024

	Notes	2024	2023
Cash flows from operating activities:			
Excess (deficiency) of revenue over expenses	\$	76,352	\$ (351,771)
Adjustments to reconcile net income (loss) to cash provided by operating activities			
Amortization of capital assets		35,951	34,341
Amortization of deferred capital contributions		(32,621)	(32,779)
		79,682	(350,209)
Change in non-cash working capital items related to operations:			
Accounts receivable		(71,329)	(41,760)
Interest receivable		1,468	(1,092)
Prepaid expenses		2,203	20,336
Accounts payable and accrued liabilities		(6,821)	(1,600)
Deferred capital contributions		-	110,000
taxes payable		35,806	
		41,009	(264,325)
Cash provided by (used in) financing activities:			
Long term debt		(40,000)	-
Cash provided by (used in) investing activities:			
Long-term investments		(79,311)	23,774
Purchase of capital assets		-	(111,649)
		(79,311)	(87,875)
Net decrease in cash from activities		(78,302)	(352,200)
Cash at beginning of year		233,553	585,753
Cash at end of year	\$	155,251	\$ 233,553
Cash is comprised of:			
Cash	\$	155,251	\$ 17,060
Term deposits		-	216,493
	\$	155,251	\$ 233,553

The accompanying notes are an integral part of these financial statements

Wellspring Chinguacousy Foundation

Notes to the Financial Statements

March 31, 2024

1 Purpose and legal form of the Foundation

The Wellspring Chinguacousy Foundation ("the Foundation") was founded on November 29, 2005 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 for people living with cancer; access to information and education for cancer care professionals in the Brampton, Caledon and surrounding area. Wellspring Chinguacousy was incorporated, without share capital, under the Ontario Corporations Act on June 28, 2006. It has status as a registered charity (#84934 9568 RR0001) under the Income Tax Act (Canada) and as such is exempt from income taxes.

From its inception in 2005, Wellspring Chinguacousy's primary focus had been to develop a cancer support centre where its programs and services could be delivered. It acquired a building site in the spring of 2007 and commenced construction of the facility shortly thereafter. The official ribbon cutting ceremony to mark the facility's completion was held on April 8, 2008. With this event, Wellspring Chinguacousy's prime role shifted to conduct fundraising to support the ongoing operations of the cancer support centre, which is located at 5 Inspiration Way, in Brampton, Ontario.

2 Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) and reflect the following accounting policies:

Revenue recognition

Wellspring Chinguacousy Foundation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at the same rate as the underlying capital assets are amortized. Endowment contributions are recognized based on direct increases in net assets in the year.

Revenue from a fundraising event is recognized when the event is held.

Restricted net assets

- Net assets restricted for endowment purposes consist of the Chinguacousy Health Services Centre Fund endowment contributions of \$700,000, which have been invested and have a fair value of \$886,198 at March 31, 2024. Only the original investment of \$700,000 is externally restricted.
- The Net Assets Restricted for the Forever Fund are internally restricted and were established to provide for the longer term sustainability of the centre and to set aside funds sufficient to cover the equivalent of two years of operating costs.
- In July 2013, the Board authorized the creation of another class of internally restricted net assets, called the "Facility Reserve". The purpose of the Facility Reserve is to provide for future major repairs and replacements related to the facility.

Wellspring Chinguacousy Foundation

Notes to the Financial Statements

March 31, 2024

2 Significant accounting policies (continued)

Capital assets

Capital assets are stated at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Buildings	30 years	straight line
Computer equipment	3 years	straight line
Furniture and fixtures	10 years	straight line

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets that are measured at amortized cost include cash and cash equivalents, term deposits, amounts receivable, and investments in bonds held to maturity.

Financial liabilities measured at amortized cost include all accounts payable and accrued liabilities.

Donated services and materials

Contributions of materials are recorded at fair market value when such value can be reasonably determined. Because of the difficulty of determining their fair value, contributions of services are therefore not reflected in these financial statements.

Cash and cash equivalents

The Foundation's policy is to present bank balances and money-market investments under cash and cash equivalents.

Use of estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates are used when accounting for useful lives of capital assets, accruals, deferred revenue and allocation of costs between programs. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Wellspring Chinguacousy Foundation

Notes to the Financial Statements

March 31, 2024

3 Long-term investments

	2024 Cost	2024 Market value	2023 Cost	2023 Market value
Cash and cash equivalent	\$ 21,892	\$ 21,892	\$ 66,696	\$ 66,696
Bonds and preferred shares	347,885	323,281	335,387	306,853
Canadian equities	130,200	166,229	149,867	179,412
US equities	145,447	229,283	132,603	184,269
International equities	59,205	71,869	68,469	69,658
Other	72,885	73,644	-	-
	\$ 777,514	\$ 886,198	\$ 753,022	\$ 806,888

4 Capital assets

During 2006, land was donated to the Foundation to be used for the site of its present facility. The land was recorded at a value estimated by management to be its fair market value, based on the municipal assessment for property tax purposes. During 2008, a facility was constructed on the site by a home builder and a number of contractors at no charge. The facility was recorded at fair value, as estimated by the City of Brampton for the issuance of the building permit.

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 372,000	\$ -	\$ 372,000	\$ 372,000
Buildings	1,010,069	480,503	529,566	563,235
Computer equipment	21,518	20,850	668	1,194
Furniture and fixtures	85,949	79,515	6,434	8,190
	\$ 1,489,536	\$ 580,868	\$ 908,668	\$ 944,619

5 Deferred revenue

Deferred revenue represents Ontario Trillium Foundation funding that was unspent as of March 31, 2024 and is expected to be utilized in the upcoming fiscal year.

Wellspring Chinguacousy Foundation

Notes to the Financial Statements

March 31, 2024

6 Deferred capital contributions

Deferred capital contributions represent contributions and donations in-kind for the buildings and other assets. The change in the deferred contributions balance for the year is as follows:

	Opening Balance	Contributed Assets in Current Year	Current Year Amortization	2024	2023
Building	\$ 563,166	\$ -	\$ 31,834	\$ 531,332	\$ 563,166
Furniture and fixtures	5,248	-	788	4,460	5,248
	\$ 568,414	\$ -	\$ 32,622	\$ 535,792	\$ 568,414

7 Long-term debt

In fiscal year 2021, the Foundation applied for and received the \$60,000 Canada Emergency Business Account (CEBA) loan. The CEBA is one of the Government of Canada's financial relief measures to support the operations of Canadian businesses that have been adversely affected by COVID-19. The loan is unsecured.

The CEBA was interest free until December 31, 2023. If the loan is repaid by December 31, 2023, only \$40,000 of the loan would be repayable and the balance of \$20,000 would be forgiven. This \$20,000 was included in the Foundation's Statement of Revenues and Expenditures under Other Income in the 2021 fiscal year. The Foundation repaid the loan prior to December 31, 2023 and therefore no interest was paid.

8 Investment income on endowment fund

Investment income consists of the following:

	2024	2023
Interest and dividend income	20,860	21,102
Realized gains and losses on dispositions	18,320	11,312
Changes in unrealized gains/(losses)	56,870	(39,284)
	96,050	(6,870)

Wellspring Chinguacousy Foundation

Notes to the Financial Statements

March 31, 2024

9 Financial instruments

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Due to the nature of its investments, the Foundation's revenue may be significantly impacted by changes in interest rates and by stock market and foreign currency fluctuations. The following analysis provides information about the Foundation's risk exposure and concentration as of March 31, 2024. The Foundation's risk exposure has not changed since the prior year.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Foundation manages this risk by regularly rebalancing its portfolio.

(b) Currency risk

Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk as a result of investment in securities of foreign companies. The Foundation manages this risk by investing in securities of companies from a broad range of countries.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its investments in bonds and money-market instruments.

10 Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that Wellspring Chinguacousy Foundation will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

As a non-profit organization, Wellspring Chinguacousy Foundation relies upon the continuing support of the public in the form of donations and other contributions in support of the Foundation's activities. Wellspring Chinguacousy Foundations' continued existence is dependent upon this ongoing support from the general public.

11 Lease commitments

The Foundation leases various equipment under operating leases, the minimum lease payments under the operating leases, which expire March 2026, are as follows:

Year ending March 31,		
2025	\$	2,669
2026		<u>2,669</u>

Wellspring Chinguacousy Foundation

Notes to the Financial Statements

March 31, 2024

12 Comparative figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

The comparative figures for the prior year ending March 31, 2023 were audited by the Foundation's former auditor under an Independent Auditor's Report dated September 27, 2023 and have not been audited by Deeth & Co.LLP.
