

WELLSPRING LONDON AND REGION
Financial Statements
Year Ended December 31, 2025

WELLSPRING LONDON AND REGION
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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Wellspring London and Region

Qualified Opinion

We have audited the financial statements of Wellspring London and Region (the company), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in fund balances, revenues and expenditures and 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 effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the company derives revenue from donation and fundraising activities 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 company. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025.

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 company in accordance with 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 audit 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 ASNPO, 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Jeremy A. Giles CPA, CA Lissa Savage CPA, CA, CPA (Illinois)

Mark Snyders CPA, CA Dillon O'Henly CPA, CA

James B. MacNeill FCPA, FCA, CFP (Counsel) Robert F. Edmundson CPA, CA (Retired)

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 company'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 company'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 company 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.

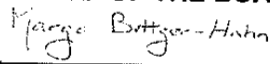
London, Ontario
March 30, 2026


PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

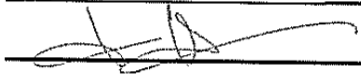
WELLSPRING LONDON AND REGION
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 90,873	\$ 69,692
Term deposits (Note 3)	-	80,000
Marketable securities (Note 4)	528,807	623,254
Accounts receivable	-	998
Prepaid expenses	11,388	11,156
	<u>\$ 631,068</u>	<u>\$ 785,100</u>
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 68,996	\$ 129,606
Deferred income (Note 6)	24,600	36,960
	<u>93,596</u>	166,566
FUND BALANCE	<u>537,472</u>	618,534
	<u>\$ 631,068</u>	<u>\$ 785,100</u>

ON BEHALF OF THE BOARD



Director



Director

MACNEILL EDMUNDSON
PROFESSIONAL CORPORATION

WELLSPRING LONDON AND REGION
Statement of Changes in Fund Balances
Year Ended December 31, 2025

	2025	2024
FUND BALANCE - BEGINNING OF YEAR	\$ 618,534	\$ 800,692
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(81,062)</u>	<u>(182,158)</u>
FUND BALANCE - END OF YEAR	<u>\$ 537,472</u>	<u>\$ 618,534</u>

WELLSPRING LONDON AND REGION
Statement of Revenues and Expenditures
Year Ended December 31, 2025

	2025	2024
REVENUES		
Event fundraising	\$ 341,715	\$ 257,156
Donations	212,110	261,467
Grants	190,000	94,526
	<u>743,825</u>	<u>613,149</u>
EXPENDITURES		
Salaries and benefits	521,848	529,984
Management services	138,374	138,374
Program costs	100,790	129,137
Event fundraising	54,289	30,653
Office	38,430	50,486
Travel and development	17,881	16,595
Bank, professional, and other	17,370	15,333
	<u>888,982</u>	<u>910,562</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(145,157)	(297,413)
OTHER INCOME		
Investment income (Note 4)	64,095	115,255
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (81,062)</u>	<u>\$ (182,158)</u>

WELLSPRING LONDON AND REGION
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (81,062)	\$ (182,158)
Changes in non-cash working capital:		
Accounts receivable	998	2,997
Accounts payable and accrued liabilities	(60,611)	75,922
Deferred income	(12,360)	(35,241)
Prepaid expenses	(232)	-
	<u>(72,205)</u>	<u>43,678</u>
Cash flow used by operating activities	<u>(153,267)</u>	<u>(138,480)</u>
INVESTING ACTIVITIES		
Proceeds from sale of investments	583,160	428,295
Purchase of investments	(408,712)	(323,022)
Cash flow from investing activities	<u>174,448</u>	<u>105,273</u>
INCREASE (DECREASE) IN CASH FLOW	21,181	(33,207)
Cash - beginning of year	<u>69,692</u>	<u>102,899</u>
CASH - END OF YEAR	<u>\$ 90,873</u>	<u>\$ 69,692</u>

WELLSPRING LONDON AND REGION
Notes to Financial Statements
Year Ended December 31, 2025

1. NATURE OF THE ORGANIZATION

Wellspring London and Region ("Wellspring") is a federally incorporated charitable organization. As a registered charity, Wellspring is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

Wellspring is comprised of volunteers and professionals who provide programs and services to meet the needs of individuals, their families, and caregivers affected by cancer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

Wellspring follows the deferral method of accounting for contributions. The operating fund represents the excess of revenue over expenditures that are related to ongoing programs and activities of Wellspring.

Revenue recognition

Unrestricted donations and grants are recognized as revenue in the period in which they are received. Externally restricted grants and donations are deferred upon receipt and brought into revenue as valid expenditures are incurred for that restricted use. Funds raised from third party events are recognized at the time of the receipt of the funds. Funds raised from in-house events are deferred until the time of the event, at which time they are recognized as revenue. Funds received after the event date are recognized at the time of receipt of funds.

Pledges, bequests, and contributions receivable are not recognized until received as the collection of cash cannot be reasonably assured and the measurement of the amount cannot be reliably estimated.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Equipment	3 to 5 years	straight-line method
Computer equipment	3 to 5 years	straight-line method

Amortization is charged at half the annual rate in the year of acquisition.

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WELLSPRING LONDON AND REGION
Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

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. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their original issuance or assumption.

Measurement uncertainty

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 expenditures during the period. 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.

3. TERM DEPOSITS

Wellspring holds the following non-restricted term deposits:

	<u>2025</u>	<u>2024</u>
GIC matured March 24, 2025 with interest rate of 3.25%	\$ -	\$ 40,000
GIC matured April 21, 2025 with interest rate of 3.50%	-	40,000
	<u>\$ -</u>	<u>\$ 80,000</u>

WELLSPRING LONDON AND REGION
Notes to Financial Statements
Year Ended December 31, 2025

4. MARKETABLE SECURITIES

Marketable securities consist of non-restricted investments within the following asset classes:

	<i>Cost</i>	<i>Fair Market Value</i>
Capital Preservation		
Cash and Equivalents	\$ 13,769	\$ 13,769
Fixed Income - Canadian	126,779	127,235
Fixed Income - Non-Canadian	4,774	4,798
Non-Traditional Capital Preservation	32,580	33,534
Capital Appreciation		
Equities - Canadian	145,689	179,513
Equities - U.S.	76,829	108,455
Equities - Non-North American	49,949	61,503
	\$ 450,369	\$ 528,807

The decrease in unrealized gain of \$23,893 (2024 increase - \$77,923) has been included in investment income during the year.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Equipment	\$ 61,200	\$ 61,200	\$ -	\$ -
Computer equipment	24,657	24,657	-	-
	\$ 85,857	\$ 85,857	\$ -	\$ -

6. DEFERRED REVENUE

\$17,600 of deferred revenue relates to funds received for room naming rights that expire December 31, 2026. Revenue is recognized on an annual basis over the term of the naming rights.

\$7,000 of deferred revenue relates to unspent grants and donations that are expected to be recognized in fiscal 2026.

WELLSPRING LONDON AND REGION
Notes to Financial Statements
Year Ended December 31, 2025

7. YMCA OF SOUTHWESTERN ONTARIO

Wellspring has an agreement with the YMCA of Southwestern Ontario (YSWO) to receive staff and management services and to rent space within YSWO's facility. YSWO incurs the initial costs and then invoices Wellspring for the expenses incurred on a monthly basis. The agreement was extended on September 1, 2023 and expires December 31, 2028 with provisions for extension upon mutually accepted terms.

At December 31, 2025, Wellspring had an outstanding balance payable to YSWO of \$36,616 (2024 - \$83,334).

8. FINANCIAL INSTRUMENTS

Wellspring is exposed to various risks through its financial instruments and has a comprehensive risk management framework in place to monitor, evaluate and manage these risks. The following analysis provides information about Wellspring's risk exposure and concentration. There have been no significant change to the nature or concentration of these risks from the prior year, unless otherwise noted.

In the opinion of management, the company is not exposed to significant currency risk arising from its financial instruments.

Credit risk

Credit risk is the risk of potential loss to Wellspring if a counterparty to a financial instrument fails to meet its contractual obligations. Wellspring's credit risk is primarily attributable to its accounts receivable.

Wellspring has assessed its exposure to credit risk and has determined that such risk is minimal. The majority of the organization's financial assets are held with a major financial institution.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Wellspring is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable and accrued liabilities.

Wellspring mitigates this risk through projecting its cash flow needs on a short term and long term basis, and maintaining sufficient available reserves.

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. Wellspring is exposed to market risk on its marketable securities (see Note 4).

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WELLSPRING LONDON AND REGION
Notes to Financial Statements
Year Ended December 31, 2025

8. FINANCIAL INSTRUMENTS *(continued)*

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. Wellspring has \$90,873 (2024 - \$69,692) in term cash and cash equivalents at December 31, 2025, on which it earns variable rates of interest. Wellspring has \$nil (2024 - \$80,000) in term deposits and \$528,807 (2024 - \$623,254) in marketable securities at December 31, 2025, on which it earns fixed and variable rates of interest. The organization has assessed its exposure to interest rate risk and has determined that such risk is minimal.

9. LEASE COMMITMENTS

Wellspring has entered into a sublease agreement for the Stratford location for a five-year term commencing July 1, 2025. The expected payments including additional rent for common area costs at this location over the next five years are as follows:

December 31, 2026 - \$24,062
December 31, 2027 - \$24,293
December 31, 2028 - \$24,755
December 31, 2029 - \$24,986
December 31, 2030 - \$12,493
