

**The Wellspring Niagara Cancer Support
Foundation**

Financial Statements

For the year ended December 31, 2024

The Wellspring Niagara Cancer Support Foundation

Financial Statements

For the year ended December 31, 2024

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Independent Auditor's Report

To the Members of The Wellspring Niagara Cancer Support Foundation

Qualified Opinion

We have audited the financial statements of **The Wellspring Niagara Cancer Support Foundation** ("the organization"), which comprise the statement of financial position as at December 31, 2024, and the statement of changes in net assets, statement of revenue and expenses - programs fund, statement of revenue and expenses - capital fund, statement of revenue and expenses - endowment fund 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 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 Wellspring Niagara Cancer Support Foundation as at December 31, 2024 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 charitable organizations, The Wellspring Niagara Cancer Support Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to donation revenue, fundraising revenue, total revenue, excess of revenue over expenses (expenses over revenue) or cash flows from operations for the year ended December 31, 2024 and opening and closing net assets and total assets as at December 31, 2024. Our audit opinion on the financial statements for the year ended December 31, 2023 was also modified accordingly because of the possible effects of this limitation in scope with a report date of May 13, 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 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.

Independent Auditor's Report

To the Members of The Wellspring Niagara Cancer Support Foundation (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 it 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 a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 a 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 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.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants

June 11, 2025
St. Catharines, Ontario

The Wellspring Niagara Cancer Support Foundation

Statement of Financial Position

December 31	2024	2023
Assets		
Current Assets		
Cash	\$ 441,722	\$ 493,277
Investments	237	7,944
Government assistance receivable	6,305	-
HST rebate recoverable	10,217	12,888
Asset held for sale	26,200	26,200
Prepaid expenses	33,361	32,391
	518,042	572,700
Restricted Cash	65,745	55,128
Property and Equipment (Note 2)	4,483,967	4,586,575
	\$ 5,067,754	\$ 5,214,403
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 26,453	\$ 19,703
Demand term loans (Note 3)	769,150	811,324
	795,603	831,027
Net Assets		
Unrestricted:		
Programs fund	128,706	298,295
Internally Restricted:		
Capital fund	956,666	927,666
Capital campaign fund	2,870,727	2,870,727
Endowment fund	316,052	286,688
	4,143,445	4,085,081
	4,272,151	4,383,376
	\$ 5,067,754	\$ 5,214,403

Commitment (Note 5)

On behalf of the Board:

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

The Wellspring Niagara Cancer Support Foundation

Statement of Changes in Net Assets

For the year ended December 31	2024	2023
Unrestricted Funds		
Programs Fund		
Balance, beginning of year	\$ 298,295	\$ 336,157
Excess of expenses over revenue	(150,405)	(17,884)
Transfer to endowment fund (Note 4)	(19,184)	(19,978)
Balance, end of year	128,706	298,295
Restricted Funds		
Capital Fund		
Balance, beginning of year	927,666	844,462
Excess of revenue over expenses	29,000	83,204
Balance, end of year	956,666	927,666
Capital Campaign Fund		
Balance, beginning of year	2,870,727	2,870,727
Excess of revenue over expenses	-	-
Balance, end of year	2,870,727	2,870,727
Endowment Fund		
Balance, beginning of year	286,688	266,470
Excess of revenue over expenses	10,180	240
Transfer from programs fund (Note 4)	19,184	19,978
Balance, end of year	316,052	286,688
Total Net Assets	\$ 4,272,151	\$ 4,383,376

The accompanying notes are an integral part of these financial statements

The Wellspring Niagara Cancer Support Foundation

Statement of Revenue and Expenses - Programs Fund

For the year ended December 31	2024	2023
Revenue		
Donations	\$ 699,230	\$ 720,108
General fundraising (Note 8)	98,265	229,131
Interest	10,536	12,709
	<u>808,031</u>	<u>961,948</u>
Expenses		
Advertising	367	173
Amortization of property and equipment	133,703	140,165
Bank and interest charges	52,256	43,658
General fundraising (Note 9)	131,297	155,741
Insurance	44,559	39,204
Office and sundry	22,059	20,460
Professional fees	11,246	8,722
Programs (Note 10)	463,936	458,585
Public awareness (Note 11)	51,850	44,418
Salaries and benefits	53,119	46,347
Staff training	1,170	1,395
Volunteering (Note 12)	22,185	20,964
	<u>987,747</u>	<u>979,832</u>
Excess of Expenses over Revenue before Other Income	(179,716)	(17,884)
Other Income		
Property tax rebate (Note 6)	29,311	-
Excess of Expenses over Revenue	<u>\$ (150,405)</u>	<u>\$ (17,884)</u>

The accompanying notes are an integral part of these financial statements

The Wellspring Niagara Cancer Support Foundation
Statement of Revenue and Expenses - Capital Fund

For the year ended December 31	2024	2023
Revenue		
Donations	\$ 29,000	\$ 83,204
Excess of Revenue Over Expenses	\$ 29,000	\$ 83,204

The Wellspring Niagara Cancer Support Foundation
Statement of Revenue and Expenses - Endowment Fund

For the year ended December 31	2024	2023
Revenue		
Donations	\$ 10,180	\$ 240
Excess of Revenue Over Expenses	\$ 10,180	\$ 240

The accompanying notes are an integral part of these financial statements

The Wellspring Niagara Cancer Support Foundation

Statement of Cash Flows

For the year ended December 31	2024	2023
Cash Provided By (Used In)		
Operating Activities		
Excess of revenue over expenses (expenses over revenue)		
Programs fund	\$ (150,405)	\$ (17,884)
Capital fund	29,000	83,204
Endowment fund	10,180	240
Total Excess of Revenue over Expenses (Expenses over Revenue)	(111,225)	65,560
Add Back (Deduct) Non-Cash Items:		
Investments received as donation	(2,699)	(8,395)
Amortization of property and equipment	133,703	140,165
Changes in non cash working capital:		
Government assistance receivable	(6,305)	-
HST rebate recoverable	2,671	(2,069)
Prepaid expenses	(970)	(8,652)
Accounts payable and accrued liabilities	6,750	(1,756)
Cash provided by operating activities	21,925	184,853
Investing Activities		
Additions to property and equipment	(31,095)	(8,834)
Proceeds on sale of investments	10,406	6,608
Cash used in investing activities	(20,689)	(2,226)
Financing Activities		
Repayments on demand term loans	(42,174)	(283,088)
Repayment on CEBA loan		(30,000)
Cash used in financing activities	(42,174)	(313,088)
Decrease in Cash During the Year	(40,938)	(130,461)
Cash, beginning of year	548,405	678,866
Cash, end of year	\$ 507,467	\$ 548,405
Cash Consists of:		
Cash	\$ 441,722	\$ 493,277
Restricted cash	65,745	55,128
	\$ 507,467	\$ 548,405

The accompanying notes are an integral part of these financial statements

The Wellspring Niagara Cancer Support Foundation

Notes to Financial Statements

December 31, 2024

Organization

The Wellspring Niagara Cancer Support Foundation (the "organization") was incorporated August, 2000 under the laws of the Province of Ontario. The Foundation provides 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 the health care professionals, evaluation and research on the role of supportive care. The organization is a registered charitable organization and therefore is exempt from income tax under Section 149(1)(f) of the Canadian Income Tax Act.

1. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Fund Accounting

The organization follows the restricted fund method of accounting for contributions.

The Programs Fund is used to account for the organization's program related revenues and expenses.

The Capital Fund is used to account for donations and fundraising activities specifically designated for capital asset acquisition and maintenance.

The Capital Campaign Fund is used to account for donations and fundraising activities specifically designated for the Help Us Build Hope campaign to build the new location. Upon completion of the campaign and all pledge commitments received, the balance of the Capital Campaign Fund will be allocated amongst the other funds as deemed appropriate by the organization at that time.

The Endowment Fund is used to set aside 5% of every dollar of unrestricted donations received to create an avenue to limit the organization's requirement to solicit funds.

Revenue Recognition

Unrestricted contributions are recognized as revenue in the year received. Restricted contributions for which there is a restricted fund are recognized as revenue in the applicable fund in the year the contribution is received. Restricted contributions to the programs fund are recognized as revenue in the year when the related project or activity associated with the contribution has occurred. Donations in kind are recognized as revenue in the period received at an amount equal to the fair value of the donated item. Interest is recognized using the amortized cost method over the passage of time.

Cash and Cash Equivalents

The organization considers cash equivalents to be restricted cash held in the capital fund and endowment fund because, although these amounts are held for long-term internally restricted purposes, they could still be drawn upon if required by the organization.

The Wellspring Niagara Cancer Support Foundation

Notes to Financial Statements

December 31, 2024

1. Significant Accounting Policies (Continued)

Donated Services

No amounts have been reflected in the statements for donated services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time in the organization's program services and its fundraising campaigns.

Property and Equipment

Property and equipment is presented at cost less accumulated amortization and included as part of the programs fund. Property and equipment is amortized over their estimated useful lives using the following methods and annual rates.

Building	- 40 years straight line
Furniture and Equipment	- 5 years straight line
Gazebo and Garden	- 20 years straight line
Sidewalk	- 30 years straight line
Earthworks and Landscaping	- 30 years straight line
Irrigation System	- 20 years straight line

Additions during the year are amortized starting the month of acquisition. Disposals are amortized until the month of disposition. Amortization expense is included in the programs fund. Gains or losses on assets sold or otherwise disposed of are included in the capital fund. Assets under construction, which are not yet in use are amortized until complete and put in use.

Impairment of Long-Lived Assets

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the item of property and equipment no longer has any long-term service potential to the organization, it is considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the asset exceeds its residual value. Impairment losses are included in the programs fund.

Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, restricted cash and government assistance receivable.

Financial assets measured at fair value include investments, with any gains or losses being recognized in income for the year.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and demand term loans.

The Wellspring Niagara Cancer Support Foundation

Notes to Financial Statements

December 31, 2024

1. Significant Accounting Policies (Continued)

Asset Held for Sale

Asset held for sale, which is comprised of high value jewellery, is recorded at the lower of cost and net realizable value. Cost is equal to the fair value of the asset when it is donated. Net realizable value is defined as the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Allocation of Expenses

The organization allocates the cost of salaries and benefits, rent, leasing and equipment, telephone and utilities, postage and courier, printing, supplies, bank charges and repairs and maintenance to different functions based on reasonable percentages determined by management and the board of directors. The expenses are allocated to administration, programs, volunteer, public awareness, fundraising or capital; allocated amounts are detailed in the financial statement notes.

2. Property and Equipment

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 5,053,481	\$ 748,191	\$ 4,305,290	\$ 4,400,021
Furniture and equipment	156,118	156,118	-	-
Gazebo and garden shed	18,980	3,578	15,402	16,351
Sidewalk	40,464	4,159	36,305	37,654
Earthworks and Landscaping	97,771	10,049	87,722	90,981
Irrigation System	46,402	7,154	39,248	41,568
	\$ 5,413,216	\$ 929,249	\$ 4,483,967	\$ 4,586,575

The Wellspring Niagara Cancer Support Foundation

Notes to Financial Statements

December 31, 2024

3. Demand Term Loans

	2024	2023
Demand term loan, bearing interest at 6.25%, blended payments of principal and interest monthly of \$7,652 maturing November 12, 2027, secured as described below	\$ 769,150	\$ 811,324
	\$ 769,150	\$ 811,324

The above noted credit facilities are secured by a general security agreement registered in first position over all of the organization's present and after acquired personal property, a collateral leasehold mortgage in first position for \$4,000,000 on the building located at 50 Wellspring Way, Fonthill, Ontario, an assignment of the land-leasehold agreement and an assignment of insurance to the lender, listed as first loss payee.

Principal payments expected over the next three years are as follows: 2025 - \$45,031, 2026 - \$47,927, 2027 - \$676,192

4. Inter-Fund Transfers

During the year, the organization transferred \$19,184 (2023 - \$19,978) from the programs fund to the endowment fund in accordance with the organization's endowment fund policy.

5. Commitment

The organization has a 20 year lease commitment with the Town of Pelham for use of land. Annual payments under the lease, which expires in 2037, amount to \$1. Upon expiration, the lease has an automatic renewal term of 20 years at the same annual rent.

6. Government Assistance

During the year, the organization received a property tax rebate of \$29,311 from the Town of Pelham related to the December 31, 2023 year end property tax paid. There are no unfulfilled conditions or repayment obligations attached to this government assistance.

The Wellspring Niagara Cancer Support Foundation

Notes to Financial Statements

December 31, 2024

7. Financial Risks

Liquidity Risk

The business of the organization necessitates the management of liquidity risk. Liquidity risk is the risk of being unable to meet anticipated daily financial obligations. There has been no change to this risk exposure from the prior year.

Credit Risk

The business of the organization necessitates the management of credit risk. Credit risk is the potential for loss due to the failure to realize on cash held with financial institutions. There has been no change to this risk exposure from the prior year.

Market Risk

The company holds a equity investments which leads to market risk. Market risk is the potential for loss due to a decline in market factors.

Interest Rate Risk

The organization is exposed to interest rate risks due to its demand term loans disclosed in Note 3. There has been no change to this risk exposure from the prior year.

8. General Fundraising Revenue

	<u>2024</u>	<u>2023</u>
Gala	\$ -	\$ 161,127
General	24,680	10,310
Light up	46,136	36,326
Raffles & draw	27,449	21,368
	\$ 98,265	\$ 229,131

The Wellspring Niagara Cancer Support Foundation

Notes to Financial Statements

December 31, 2024

9. General Fundraising Expenses

	2024		2023
Advertising	\$ 1,578	\$	1,095
Gala	1,058		53,154
Handling charges	4,710		6,927
Office and sundry	10,966		11,529
Printing and postage	6,669		10,831
Rent	550		681
Salaries and benefits	78,831		60,156
Special events	17,493		1,868
Utilities	1,091		753
Travel	331		222
50/50 lottery	8,020		8,525
	\$ 131,297	\$	155,741

10. Program Expenses

	2024		2023
Bank and interest charges	\$ 7,688	\$	9,188
Leadership	146,416		101,672
Office and sundry	28,940		29,157
Printing and postage	5,058		3,051
Public education	320		321
Rent and property taxes	-		43,124
Repairs and maintenance	50,522		53,257
Salaries and benefits	198,523		191,526
Telephone and utilities	26,396		27,094
Travel	73		195
	\$ 463,936	\$	458,585

The Wellspring Niagara Cancer Support Foundation

Notes to Financial Statements

December 31, 2024

11. Public Awareness Expenses

	2024		2023
Community outreach	\$ 3,215	\$	8,053
Office and sundry	507		600
Office supplies and newsletter	-		935
Salaries and benefits	44,724		28,231
Special events	2,640		5,777
Telephone & utilities	723		753
Travel	41		69
	\$ 51,850	\$	44,418

12. Volunteering Expenses

	2024		2023
Appreciation	\$ 3,750	\$	5,732
Office and sundry	993		1,048
Rent	-		908
Salaries and benefits	12,526		12,394
Telephone and utilities	816		835
Training	4,100		47
	\$ 22,185	\$	20,964
