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smith@
swallow*

THE WELLSRING NIAGARA CANCER SUPPORT FOUNDATION

Financial Statements

March 31, 2018



THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

Financial Statements

March 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Members of
The Wellspring Niagara Cancer Support Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of The Wellspring Niagara Cancer Support Foundation, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provided a basis for our qualified audit opinion.

Basis for Qualified Opinion

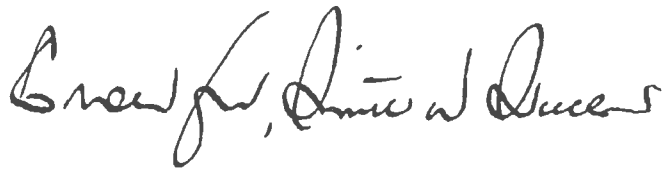
In common with many not-for-profit organizations, The Wellspring Niagara Cancer Support Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, and excess of revenue over expenses for the year ended March 31, 2018, and assets and net assets as at March 31, 2018. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Wellspring Niagara Cancer Support Foundation as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by section 96(2) of the Ontario Corporations Act, we report that these accounting principles have been applied on a basis consistent with that of the preceding year.



St. Catharines, Ontario
July 24, 2018

CRAWFORD, SMITH AND SWALLOW
CHARTERED ACCOUNTANTS LLP
LICENSED PUBLIC ACCOUNTANTS



THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

STATEMENT OF FINANCIAL POSITION

March 31, 2018

Assets - note 2	2018	2017
	\$	\$
Current Assets		
Cash	273,530	412,620
Investments	553	537
Sales tax recoverable	122,306	37,443
Prepaid expenses	8,933	1,968
	405,322	452,568
Restricted Cash	1,042,877	1,016,154
Fixed Assets - note 3	1,485,005	77,604
Other Assets - note 4	7,000	7,000
	2,940,204	1,553,326
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	448,113	27,922
Government remittances payable	5,317	6,810
Deferred revenue - note 5	2,477	3,573
	455,907	38,305
Contingent Liability - note 7		
Net Assets		
Unrestricted funds		
Programs fund	629,807	498,867
Restricted funds		
Capital fund	844,218	830,215
Capital campaign fund	811,613	
Endowment fund	198,659	185,939
	1,854,490	1,016,154
Total net assets	2,484,297	1,515,021
	2,940,204	1,553,326

Signed on behalf of the board:


 _____ Director

 _____ Director

See accompanying notes

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

for the year ended March 31, 2018

	2018 \$	2017 \$
Unrestricted Funds		
Programs Fund		
Balance, beginning of year	498,867	383,525
Excess of revenue over expenses for the year	148,130	186,546
Transfer to endowment fund - note 8	(10,448)	(10,702)
Transfer to capital fund - note 8	(6,742)	(60,502)
Balance, End of Year	629,807	498,867
Restricted Funds		
Capital Fund		
Balance, beginning of year	830,215	544,726
Excess of revenue over expenses for the year	7,261	224,987
Transfer from programs fund - note 8	6,742	60,502
Balance, End of Year	844,218	830,215
Capital Campaign Fund		
Balance, beginning of year		
Excess of revenue over expenses for the year	811,613	
Balance, End of Year	811,613	
Endowment Fund		
Balance, beginning of year	185,939	173,220
Excess of revenue over expenses for the year	2,272	2,017
Transfer from programs fund - note 8	10,448	10,702
Balance, End of Year	198,659	185,939
Total Net Assets	2,484,297	1,515,021

See accompanying notes

THE WELLSRING NIAGARA CANCER SUPPORT FOUNDATION

STATEMENT OF OPERATIONS - PROGRAMS FUND

for the year ended March 31, 2018

	2018	2017
	\$	\$
Revenue		
Donations	426,890	487,987
General fundraising - note 12	119,995	113,605
Interest	2,954	2,394
	549,839	603,986
Expenses		
Advertising	2,265	531
Bank and interest charges	1,515	1,553
Depreciation	2,107	1,972
General fundraising - note 13	59,193	61,742
Insurance	3,826	6,560
Office and sundry	4,537	5,483
Printing and postage	352	239
Professional fees	6,857	6,923
Programs - note 14	253,476	242,946
Public awareness - note 15	24,856	32,578
Rent	2,018	1,794
Repairs and maintenance	3,431	3,419
Salaries and benefits	10,936	16,424
Staff training	594	2,889
Telephone and utilities	4,497	7,437
Travel	1,414	4,070
Volunteering - note 16	19,835	20,880
	401,709	417,440
Excess of Revenue Over Expenses for the Year	148,130	186,546

See accompanying notes

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

STATEMENT OF OPERATIONS - CAPITAL FUND

for the year ended March 31, 2018

	2018	2017
	\$	\$
Revenue		
Donations		307,092
Interest income	7,532	6,671
	7,532	313,763
Expenses		
Bank charges and interest		100
Fundraising	271	483
Office and sundry		332
Professional fees		28,613
Salaries and benefits		58,845
Travel		403
	271	88,776
Excess of Revenue Over Expenses for the Year	7,261	224,987

See accompanying notes

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

STATEMENT OF OPERATIONS - CAPITAL CAMPAIGN FUND

for the year ended March 31, 2018

	2018	2017
	\$	\$
Revenue		
Donations	902,644	
Expenses		
Fundraising	15,783	
Office and sundry	1,784	
Postage and courier	1,225	
Professional fees	21,103	
Salaries and benefits	49,651	
Travel	988	
Utilities	497	
	91,031	
Excess of Revenue Over Expenses for the Year	811,613	

STATEMENT OF OPERATIONS - ENDOWMENT FUND

for the year ended March 31, 2018

	2018	2017
	\$	\$
Revenue		
Donations	440	240
Interest income	1,832	1,777
	2,272	2,017
Excess of Revenue Over Expenses for the Year	2,272	2,017

See accompanying notes

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

	2018 \$	2017 \$
Operating Activities		
Excess of revenue over expenses for the year - Programs fund	148,130	186,546
Excess of revenue over expenses for the year - Capital fund	7,261	224,987
Excess of revenue over expenses for the year - Capital campaign fund	811,613	
Excess of revenue over expenses for the year - Endowment fund	2,272	2,017
Excess of revenue over expenses for the year	969,276	413,550
Depreciation	2,107	1,972
Working capital provided by operations	971,383	415,522
Changes in working capital components - note 9	325,774	(4,523)
Funds provided by operating activities	1,297,157	410,999
Investing Activities		
Capital expenditures	(1,409,508)	(36,615)
Investments	(16)	(12)
Funds used by investing activities	(1,409,524)	(36,627)
Increase (Decrease) in Cash Position	(112,367)	374,372
Cash Position, Beginning of Year	1,428,774	1,054,402
Cash Position, End of Year	1,316,407	1,428,774
Cash Position		
Cash	273,530	412,620
Restricted cash	1,042,877	1,016,154
	1,316,407	1,428,774

See accompanying notes

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

Organization

The Wellspring Niagara Cancer Support Foundation was incorporated in 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 health care professionals; evaluation and research on the role of supportive care. The corporation is registered as a charitable organization and is exempt from income tax under section 149(1)(f) of the Income Tax Act.

1. Significant Accounting Policies

The financial statements of the organization are the representations of management prepared in accordance with Canadian accounting standards for not-for-profit organizations, consistently applied. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement in the light of available information. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Financial reporting framework

The organization, being a not-for-profit organization, has chosen to establish their financial statements in accordance with Canadian accounting standards for not-for-profit organizations, issued by the Chartered Professional Accountants of Canada.

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. Interest earned from this fund is retained in the capital fund.

The Capital Campaign Fund is used to account for donations and fundraising activities specifically designated for the Help Us Build Hope campaign to build their new location. Upon completion of the building project, 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 an internally restricted fund used to set aside 5% of every dollar of unrestricted donations received in order to create an avenue to limit the organization's requirement to solicit funds. Interest earned from this fund is retained in the endowment fund.

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

1. Significant Accounting Policies - continued

Revenue recognition

Unrestricted contributions and fundraising revenues 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 donation is received. Restricted contributions to the programs fund are recognized as revenue in the year when the contribution is used.

Donations of materials are recognized as revenue in the period received at an amount equal to the fair value of the donated item.

Interest income is recognized as earned.

Fixed assets and depreciation

Fixed assets are recorded at cost and are included in the programs fund. Expenditures for maintenance and repairs are charged to the expense of the appropriate fund.

Depreciation is calculated using the straight-line method at rates designed to amortize the cost of fixed assets over their estimated useful lives as follows:

Computer software	-	3 years
Equipment	-	5 years
Leasehold improvements	-	5 years

Additions during the year are depreciated from the month of acquisition. Disposals are depreciated until the month of disposition. Depreciation is included in the programs fund. Gains or losses on assets sold or otherwise disposed of are included in the capital fund.

Impairment of long-lived assets

The carrying value of long-lived assets including property, plant and equipment and certain other long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the long-lived asset 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.

Financial instruments

The organization's financial instruments consist of cash, investments, sales tax recoverable, restricted cash, and accounts payable. Financial instruments are initially measured at fair value on acquisition and are subsequently measured at amortized cost. Transaction costs and financial fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized, and amortized over the life of the financial instrument.

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

1. Significant Accounting Policies - continued

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. Bank Loan

The organization has available a demand loan, to a maximum of \$3,451,339, bearing interest at prime plus 1.00% per annum, requiring interest only payments. At year end, \$nil has been drawn.

The credit facility is secured by a general security agreement, a collateral leasehold mortgage, assignment of the land leasehold agreement, assignment of fire insurance, comprehensive general liability insurance for a minimum of \$2,000,000 with Meridian shown as assitional insured, and a certificate of builders all risk insurance naming Meridian as first mortgagee.

3. Fixed Assets

	Cost \$	Accumulated Depreciation \$	2018 \$	2017 \$
Building	1,480,681		1,480,681	73,118
Computer software	9,978	9,978		
Equipment	42,382	38,058	4,324	4,486
Leasehold improvements	10,394	10,394		
	1,543,435	58,430	1,485,005	77,604

Fixed assets include a building under construction with a cost of \$1,480,681. Amortization has not been charged against this asset. The new building cost was financed through the capital campaign fund in the amount of \$811,613.

4. Other Assets

In the fiscal year 2006, the organization received a donation of eight pieces of art valued at \$1,000 per piece, to be used to meet the charitable organization's objectives. As at the year-end, seven pieces of art remain.

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

5. Deferred Revenue

From time to time, the organization receives funds designated for a specific program or event. These funds are recorded as revenue in the year that costs related to the specific program or event have been incurred.

	2018	2017
	\$	\$
Deferred revenue, beginning of year	3,573	4,669
Restricted donations received during the year		4,354
Restricted donations used during the year	(1,096)	(5,450)
Deferred Revenue, End of Year	2,477	3,573

6. Lease Obligation

The lease commitment at their current premises expires December 31, 2018. Minimum annual rent under the lease amounts to \$18,459 plus common area costs, property taxes and HST, paid monthly. The lease contains an option to terminate up to 3 months early, with 6 months written notice.

The foundation has a 66 month lease commitment with Xerox Canada Ltd. for office equipment. Minimum quarterly payments under the lease, which expires in January, 2022, amount to \$875 plus maintenance charges and HST.

7. Contingent Liability

The organization has a letter of credit in favour of the Municipality of Pelham in the amount of \$60,000.

8. Inter-fund Transfers

During the year, \$10,448 (2017 - \$10,702) and \$6,742 (2017 - \$60,502) were transferred from the programs fund to the endowment fund and capital fund, respectively. The transfer to the endowment fund was made in accordance with the foundation's endowment fund policy. The transfer to the capital fund is approved annually by the Board of Directors to set aside funds for future capital asset acquisition and maintenance projects.

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

9. Statement of Cash Flows

Changes in working capital components include:

	2018	2017
	\$	\$
Sales tax recoverable	(84,863)	(18,324)
Prepaid expenses	(6,965)	(292)
Accounts payable and accrued liabilities	420,191	14,486
Government remittances payable	(1,493)	703
Deferred revenue	(1,096)	(1,096)
	325,774	(4,523)

10. Financial Risks

Transactions in financial instruments may expose the company to certain financial risks and uncertainties. At the year-end, the company was not exposed to any significant financial instrument risk.

11. Commitment

The foundation is committed to construct a new building in the Town of Pelham with an estimated cost of \$3.8 million.

12. General Fundraising Revenue

	2018	2017
	\$	\$
Gala	71,362	67,158
General	1,511	2,102
Light Up	17,792	16,505
Raffles and draws	4,325	1,960
Other fundraising events	25,005	25,880
	119,995	113,605

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

13. General Fundraising Expenses

	2018	2017
	\$	\$
Advertising	70	680
Gala	30,508	27,993
Handling charges	3,491	1,137
Office and sundry	3,094	1,832
Printing and postage	1,524	2,969
Rent	1,009	885
Salaries and benefits	15,295	20,507
Special events	3,667	4,753
Telephone and utilities	249	262
Travel	286	724
	59,193	61,742

14. Program Expenses

	2018	2017
	\$	\$
Bank and interest charges	5,881	4,025
Leadership	89,782	82,031
Office and sundry	13,174	16,018
Printing and postage	8,917	6,703
Public education	221	208
Rent	36,321	32,420
Repairs and maintenance	7,296	5,566
Salaries and benefits	83,835	87,475
Telephone and utilities	7,958	8,372
Travel	91	128
	253,476	242,946

THE WELLSPRING NIAGARA CANCER SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2018

15. Public Awareness Expenses

	2018	2017
	\$	\$
Community outreach	1,202	1,157
Office and sundry	190	187
Office supplies and newsletter	2,640	505
Salaries and benefits	19,610	26,814
Special events	869	641
Telephone and utilities	249	262
Training		2,936
Travel	96	76
	24,856	32,578

16. Volunteering Expenses

	2018	2017
	\$	\$
Appreciation	4,696	3,953
Office and sundry	651	504
Rent	1,009	885
Salaries and benefits	12,759	14,438
Telephone and utilities	594	632
Training	123	468
Travel	3	
	19,835	20,880