Wellspring Alberta

Financial Statements
December 31, 2024

Independent auditor's report

To the Board of Directors of Wellspring Alberta

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wellspring Alberta (the Organization) as at December 31, 2024 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.

What we have audited
The Organization's financial statements comprise:

- the statement of financial position as at December 31, 2024;
- 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
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Independence
We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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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.

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 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
May 27, 2025

Wellspring Alberta
Statement of Financial Position
As at December 31, 2024

	2024 $	2023 $
Assets		
Current assets		
Cash and cash equivalents	1,205,642	1,620,346
Short-term investment (note 4)	526,540	183,150
Interest, receivables and deposits	133,992	164,096
	1,866,174	1,967,592
Capital assets (note 3)	11,450,469	11,619,199
Long-term investments (note 4)	12,967,551	12,260,151
	26,284,194	25,846,942
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	190,317	172,801
Deferred donations (note 5)	621,261	898,932
	811,578	1,071,733
Deferred contributions		
Deferred donations (note 5)	-	405,833
Carma House (note 6)	915,483	942,083
Edmonton House (note 6)	1,973,283	2,019,143
Randy O'Dell House (note 6)	3,215,291	3,287,545
	6,104,057	6,654,604
Net Assets		
John W. Stephure Tribute Fund (note 7)	2,902,535	2,902,535
Internally restricted invested in capital assets (note 7)	5,346,411	5,368,392
Internally restricted – sustainability (note 7)	4,147,092	4,147,092
Unrestricted	6,972,521	5,702,586
	19,368,559	18,120,605
	26,284,194	25,846,942

Commitment (note 13)

Subsequent event (note 15)

Approved by the Board of Directors

DocuSigned by:
39AA494B01EE49E... Director

DocuSigned by:
Steven Reilly
42114D15DABF4FA... Director

The accompanying notes are an integral part of these financial statements.

Wellspring Alberta

Statement of Operations

For the year ended December 31, 2024

	2024 $	2023 $
Revenue		
Donations (note 5)	2,854,416	2,918,350
Event revenue and donations	710,150	489,166
Investment income	768,737	614,891
Donated securities	195,856	319,874
Amortization of deferred capital contributions (note 6)	146,749	151,685
	4,675,908	4,493,966
Expenses		
Programs	3,427,604	3,271,653
Fundraising	361,376	363,965
Administration	250,050	231,331
Events	152,990	131,755
Amortization of capital assets	280,769	307,074
	4,472,789	4,305,778
Excess of revenue over expenses before other items	203,119	188,188
Other items		
Unrealized gain on investments	558,757	870,988
Realized gain (loss) on sale of investments	320,553	(75,500)
Unrealized gain (loss) on foreign exchange	165,525	(50,437)
	1,044,835	745,051
Excess of revenue over expenses for the year	1,247,954	933,239

The accompanying notes are an integral part of these financial statements.

Wellspring Alberta

Statement of Changes in Net Assets

For the year ended December 31, 2024

	Unrestricted $	Internally restricted – sustainability $ (note 7)	John W. Stephure Tribute Fund $ (note 7)	Internally restricted invested in capital assets $	2024 Total $	2023 Total $
Net assets – Beginning of year	5,702,586	4,147,092	2,902,535	5,368,392	18,120,605	17,187,366
Excess of revenue over expenses for the year	1,247,954	-	-	-	1,247,954	933,239
Purchase of capital assets	(112,039)	-	-	112,039	-	-
Amortization of capital assets	280,769	-	-	(280,769)	-	-
Amortization of deferred capital contributions	(146,749)	-	-	146,749	-	-
Net assets – End of year	6,972,521	4,147,092	2,902,535	5,346,411	19,368,559	18,120,605

The accompanying notes are an integral part of these financial statements.

Wellspring Alberta

Statement of Cash Flows

For the year ended December 31, 2024

	2024 $	2023 $
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	1,247,954	933,239
Items not involving cash		
Amortization of capital assets	280,769	307,074
Amortization of deferred capital contributions	(146,749)	(151,685)
Net realized (gain) loss on sale of investments	(320,553)	75,500
Stock donation	(195,856)	(319,874)
Unrealized gain on investments	(558,757)	(870,988)
Unrealized (gain) loss on foreign exchange	(165,525)	50,437
Net change in non-cash working capital (note 11)	(633,847)	(1,293,776)
	(492,564)	(1,270,073)
Investing activities		
Purchase of capital assets	(112,039)	(151,702)
Purchase of investments	(4,787,658)	(2,974,385)
Proceeds from sale of investments	4,977,557	2,952,280
	77,860	(173,807)
Decrease in cash and cash equivalents during the year	(414,704)	(1,443,880)
Cash and cash equivalents – Beginning of year	1,620,346	3,064,226
Cash and cash equivalents – End of year	1,205,642	1,620,346
Cash and cash equivalents are represented by		
Cash	895,270	1,120,784
Cash equivalents held with investment advisers	310,372	499,562
	1,205,642	1,620,346

The accompanying notes are an integral part of these financial statements.

1 Purpose of the Organization

Wellspring Alberta (the Organization) was founded for the purpose of providing support programs and services for families living with cancer, opportunities for the development of self-help skills leading to an enhanced quality of life, access to cancer-related information, education for health care professionals and periodic evaluation and research into the benefits of supportive care.

The Organization currently operates out of three locations, Carma House and Randy O'Dell House located in Calgary and Edmonton House located in Edmonton.

2 Significant accounting policies

The financial statements of the Organization have been prepared in accordance with accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies.

a) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant estimates included in these financial statements are the useful lives of capital assets and revenue and expenditure accruals. Actual results could differ from those estimates.

b) Revenue recognition

Type of revenue	**Revenue recognition policy**
Contributions and grants	Deferral method.
i. Restricted contributions and grants	Recognized as revenue in the year in which the related expenses are incurred.
ii. Contributions restricted for the purchase of depreciable capital assets	Deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.
iii. Contributions restricted for the purchase of non depreciable assets	Recognized as direct increases in net assets.
iv. Unrestricted contributions	Recognized as revenue when received.

Type of revenue	Revenue recognition policy
Endowment contributions	Recognized as direct increases in net assets.
Unrestricted investment income	Recognized as revenue when earned.
Donated securities	When received, donated securities are immediately sold. Cash proceeds are used in accordance with the stipulations specified by the donor. Revenue associated with donated securities is recognized or deferred in accordance with the revenue recognition policy.
Government subsidies, which provide immediate financial assistance as compensation for costs or expenditures to be incurred.	Recognized as revenue when received or receivable and when there is reasonable assurance that conditions attached to the subsidies are met.

c) Capital assets

Capital assets are recorded at cost, net of accumulated amortization and any provision for impairment. The cost for contributed capital assets is considered to be the fair value at the date of contribution. The cost of capital assets made up of significant separate component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components. Amortization is calculated on a straight-line basis over the estimated useful lives as follows:

Building	2% – 4%
Furniture and equipment	20%
Computer hardware	30%

Donated capital assets are recorded at fair value when such value can be reasonably determined and are amortized in accordance with the Organization’s accounting policy for capital assets.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Organization’s ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset’s fair value or replacement cost. The writedowns of capital assets are recognized as expenses in the statement of operations. Writedowns are not subsequently reversed.

d) Donations-in-kind

Volunteers contributed 9,268 hours assisting the Organization (2023 – 8,954 volunteer hours). Because of the difficulty of determining the fair value of volunteer services, contributed services related to volunteer activities are not recognized in the financial statements. Donated goods and services are recorded as both revenue and expense when the fair value is reasonably determined and when they would normally be purchased and paid for by the Organization, if not donated.

Donated supplies and equipment are recorded at fair value on the date of receipt. During the year, the Organization received $nil (2023 – $nil).

e) Cash and cash equivalents

Cash and cash equivalents include amounts held with banks and investment advisers as well as highly liquid investments, which are readily convertible to known amounts of cash and have an original maturity of three months or less.

f) Allocation of expenses

The Organization allocates its costs to three functional areas: programs, fundraising and administration. General costs are allocated to the functional areas based on employee time spent and on usage of space in each area.

g) Financial instruments

The Organization initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost, other than investments as described in note 2(i). The financial assets subsequently measured at amortized cost include cash and cash equivalents and interest, receivables and deposits. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets originated or acquired and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayments terms, cost is determined as the sum of undiscounted cash flows less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Organization in the transaction.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method.

With respect to financial assets measured at amortized cost, the Organization recognizes an impairment loss, if any, in the statements of operations and changes in net assets, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statements of operations and changes in net assets in the period in which the reversal occurs.

h) Investments

Segregated funds and pooled funds that are traded in the open market are measured at fair value. Investments with maturities less than one year as at the fiscal year-end date are classified as short-term investments and the investments with maturities beyond one year are classified as long-term. An assessment is performed annually to determine if a reduction to the recoverable amount is necessary. Any writedowns are recognized in the statement of operations.

i) Foreign exchange

All amounts in the accompanying financial statements are stated in Canadian dollars. Foreign investment income is translated at the rates of exchange in effect on the dates of the transactions and foreign assets and liabilities are translated at the year-end rates of exchange.

j) Cloud computing arrangement

The Organization has applied the simplification approach, as permitted by Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements, in accounting for its cloud computing arrangements. The adoption of this approach did not result in any adjustments. The total amount expensed in respect of cloud computing arrangements was $nil (2023 – $nil).

3 Capital assets

			2024	2023
	Cost $	Accumulated amortization $	Net $	Net $
Land	2,328,876	-	2,328,876	2,328,876
Carma House	1,438,253	444,724	993,529	1,012,638
Edmonton House	3,866,461	608,838	3,257,623	3,268,613
Randy O'Dell House	5,347,289	577,629	4,769,660	4,874,052
Furniture and equipment	495,976	482,185	13,791	45,632
Computer hardware	395,618	308,628	86,990	89,388
	13,872,473	2,422,004	11,450,469	11,619,199

Cost of land includes a 2007 contribution of $400,000 from Brookfield Residential Properties Inc. (formerly Carma Developers LP) for Carma House and $1,028,000 from the late Randy O'Dell for the land required for Randy O'Dell House.

Brookfield Residential Properties Inc. contributed $1,330,000 towards the design and construction of Carma House, which was completed and in operation as of May 2009.

In addition to the funds used for the purchase of land, Mr. O'Dell also contributed $2,972,000 towards the construction of Randy O'Dell House. Construction of the building was completed in 2019 and the centre was opened for programs and services in October 2019.

Multiple construction companies and contractors contributed $2,300,000 towards the construction and initial landscaping of Edmonton House. Construction of the building was completed and the centre was opened for programs and services in January 2017.

4 Investments

	2024 $	2023 $
Segregated funds		
Canadian equities	1,834,000	1,771,866
International equities	2,686,222	2,627,476
Bonds	2,914,206	2,600,556
	7,434,428	6,999,898
Pooled funds		
Canadian equities	1,147,685	980,311
International equities	2,573,470	2,206,650
Bonds	2,338,508	2,256,442
	6,059,663	5,443,403
	13,494,091	12,443,301
Investments consist of:		
Short-term investments	526,540	183,150
Long-term investments	12,967,551	12,260,151

All investments are externally managed by investment advisers.

In order to earn financial returns at an acceptable level of risk, the investment advisers adhere to guidelines and policies as set out by the Organization. Management of financial risks is outlined in note 12.

5 Deferred donations

	2024 $	2023 $
Balance – Beginning of year	1,304,765	2,515,737
Restricted donations from Government of Alberta, Mental Health	-	98,420
Government of Alberta, Community Investment Project	75,000	-
Calgary Foundation, South Asian Project	75,000	-
Donations received from various Alberta based foundations	241,860	109,858
Casino proceeds	160,747	37,000
	1,857,372	2,761,015
Recognized in donation revenue during the year	(1,236,111)	(1,456,250)
Balance – End of year	621,261	1,304,765

The deferred donations included above are all related to programs.

6 Deferred capital contributions – Carma House, Edmonton House, Randy O'Dell House

Carma House

The deferred capital contribution consists of the appraised value of Carma House contributed by Brookfield Residential Properties Inc. and is amortized annually on a straight-line basis of 2% – 4%.

	2024 $	2023 $
Balance – Beginning of year	942,083	968,683
Amortization of deferred capital contribution	(26,600)	(26,600)
Balance – End of year	915,483	942,083

Edmonton House

Deferred capital contributions for Edmonton House are restricted for the landscaping, design and construction of Edmonton House. Construction of Edmonton House was completed in 2017; therefore, amortization of the deferred capital contribution is amortized into revenue at the same amortization rate as applied to Edmonton House, which represents a straight-line basis of 2% – 4%.

	2024 $	2023 $
Balance – Beginning of year	2,019,143	2,065,002
Amortization of deferred capital contribution	(45,860)	(45,859)
Balance – End of year	1,973,283	2,019,143

Randy O'Dell House

Deferred capital contributions for Randy O'Dell House are restricted for the land, design and construction of Randy O'Dell House. Construction of Randy O'Dell House was completed in 2019; therefore, amortization of the deferred capital contribution is amortized into revenue at the same amortization rate as applied to Randy O'Dell House, which represents a straight-line basis of 2% – 4%.

	2024 $	2023 $
Balance – Beginning of year	3,287,545	3,359,799
Amortization of deferred capital contribution	(72,254)	(72,254)
Balance – End of year	3,215,291	3,287,545

7 Net assets

John W. Stephure Tribute Fund

The John W. Stephure Tribute Fund is treated as an endowment fund. The principal is to be kept in perpetuity for the long-term sustainability of the Organization, and investment income earned, which may be distributed annually, is unrestricted. With approval of the donors, the Board of Directors (the Board) of the Organization may designate the fund as unrestricted. Investment income of $119,036 (2023 – $101,096) was recognized as revenue.

Internally restricted invested in capital assets

Amounts restricted for investment in capital assets represent the net amount of capital assets less deferred contributions for Carma House, Edmonton House, Randy O'Dell House and contributed capital assets.

Internally restricted – sustainability

In 2006, the Board approved net assets of $600,000 to be internally restricted for the purpose of providing for future years' operating costs. In 2020, the Board approved that an additional amount of $3,400,000 be added to this internally restricted fund. It is intended that the funds be restricted for sustainability to provide a source of funds to cover underfunded programs and services, if needed, contribute to capital replacement and repair or provide for future development of the Organization. In 2022, the Board internally restricted an amount of $147,092 to be used for the long-term sustainability of the Organization. Investment income earned is unrestricted.

8 Remuneration for fundraising

As required under section 7(2)(e) of the Alberta Charitable Fundraising regulation, the following amounts are disclosed:

	2024 $	2023 $
Remuneration to employees whose principal duties involve fundraising	387,363	369,958

No direct costs were incurred for soliciting contributions and no amounts were paid as remuneration to a fundraising business.

9 Allocation of expenses

The allocation of general operating expenses for the following functional areas is based on employee time spent and on usage of space in each area.

	2024 $	2023 $
Program	628,064	629,923
Fundraising	15,354	16,591
Administration	15,354	16,591
	658,772	663,105

10 Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts come due. As at December 31, 2024, there were $nil (2023 – $nil) amounts outstanding and payable to government authorities.

11 Net change in non-cash working capital

	2024 $	2023 $
Interest, receivables and deposits	30,104	(44,567)
Accounts payable and accrued liabilities	17,516	(45,209)
Deferred donations (note 5)	(683,504)	(1,210,972)
Exclude amortization of contributed capital assets	2,037	6,972
	(633,847)	(1,293,776)

12 Financial risk management

Interest rate risk

The Organization is exposed to interest rate risk on its investments, which means that if interest rates decline, the Organization may not be able to reinvest the maturing investment at a rate similar to that of the balance maturing. Corporate bonds and notes are also subject to general changes in the economic conditions of the market in which the issuers or these securities operate and their respective business performance. These investments mature at various dates from January 2025 to November 2080 and have coupon rates varying from approximately 1.5% to 5.97% (2023 – 1.1% to 7.38%). To mitigate this risk, the Organization engages external investment advisers to manage the investment portfolio in accordance with the Organization's Board-approved investment guidelines. The long-term nature of these assets mitigates risk and has resulted in management's assessment that there are no concerns with the valuation of the Organization's investments.

Liquidity risk

The Organization may be subject to liquidity risk if expenses increase to the point where they are more than incoming revenue. The risk is mitigated in part by the Organization maintaining a certain level of cash-on-hand to meet current operating requirements. Management is able to leverage long-term investments in the unlikely event of liquidity shortage.

Credit risk

The Organization does not have a concentration of credit exposure with any one donor. The Organization does not consider that it is exposed to undue credit risk.

Price risk

The investments of the Organization are subject to price risk because changing interest rates impact the market value of the fixed rate investments and general economic conditions affect the market value of equity investments. The risk is mitigated through the use of external investment advisers who are responsible for the long-term investments and whose performance is routinely assessed by the Organization's Investment Committee. The Organization continues to pursue donors interested in providing gifts to increase the endowment, which increases long-term sustainability.

Foreign exchange risk

The Organization has exposure to foreign exchange risk through holding foreign equities. Exchange rate changes impact the market value of the investments denominated in currencies other than the Canadian dollar.

13 Commitment

Land lease

On October 7, 2011, the Organization entered into an agreement with the Government of Alberta to allow the Organization the right to use approximately 1.2 acres of land in the City of Edmonton to construct a cancer support facility. The lease expires on December 31, 2036 subject to an option to renew for a further ten years. The lease carries an annual rental cost of $1.

14 Comparative information

Certain comparative figures have been modified to conform to the current year's presentation.

15 Subsequent event

Effective March 31, 2025, the Organization entered into an agreement with the Minister of Health (Alberta) to receive funding for a total of $1,462,500 for the project period of January 1, 2025 to March 31, 2026. The funding will play a role in continuing to deliver and expand essential programs and services to rural Albertans as well as expand the Organization's online presence.