

# **Wellspring Calgary**

Financial Statements  
**December 31, 2021**



## Independent auditor's report

To the Board of Directors of Wellspring Calgary

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wellspring Calgary (the Organization) as at December 31, 2021 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, 2021;
- 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.

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### 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.

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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

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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.

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### **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

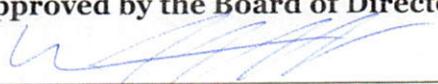
Calgary, Alberta  
May 25, 2022

**Wellspring Calgary**  
Statement of Financial Position  
As at December 31, 2021

	2021 \$	2020 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,114,450	2,509,692
Short-term investment (note 4)	-	500,000
Interest, receivables and deposits	78,270	105,637
	<u>3,192,720</u>	<u>3,115,329</u>
<b>Capital assets</b> (note 5)	8,597,425	8,786,311
<b>Investments</b> (note 6)	12,192,715	11,208,756
	<u>23,982,860</u>	<u>23,110,396</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 14)	200,273	81,568
Deferred donations (note 7)	893,821	483,249
	<u>1,094,094</u>	<u>564,817</u>
<b>Deferred contributions</b>		
Deferred donations (note 7)	1,632,341	2,494,690
Carma House (note 9)	995,283	1,021,883
Randy O'Dell House (note 9)	3,432,052	3,504,306
	<u>7,153,770</u>	<u>7,585,696</u>
<b>Net assets</b>		
John W. Stephure Tribute Fund (note 10)	2,902,535	2,901,035
Internally restricted invested in capital assets (note 10)	4,152,710	4,232,340
Internally restricted – Sustainability (note 10)	4,000,000	4,000,000
Unrestricted	5,773,845	4,391,325
	<u>16,829,090</u>	<u>15,524,700</u>
	<u>23,982,860</u>	<u>23,110,396</u>
<b>Commitment</b> (note 17)		

See accompanying notes to the financial statements.

**Approved by the Board of Directors**


Director

Director

# Wellspring Calgary

## Statement of Operations

For the year ended December 31, 2021

	2021 \$	2020 \$
<b>Revenue</b>		
Donations (notes 7 and 12)	2,025,676	2,542,011
Event revenue and donations	357,129	297,856
Government assistance – COVID-19 (note 2)	384,531	464,971
Investment income	678,434	527,001
Donated securities (note 3e)	19,350	14,715
Recovery of expenses	10,239	1,523
Amortization of deferred contributions	109,256	111,058
	<u>3,584,615</u>	<u>3,959,135</u>
<b>Expenses</b>		
Programs	2,054,556	1,700,759
Fundraising	300,775	258,352
Administration	197,973	185,160
Events	24,772	44,110
Amortization of capital assets	246,380	243,226
	<u>2,824,456</u>	<u>2,431,607</u>
<b>Excess of revenue over expenses before other items</b>	<u>760,159</u>	<u>1,527,528</u>
<b>Other items</b>		
Unrealized gain on investments	180,973	182,631
Realized gain on sale of investments	364,516	344,699
Unrealized loss on foreign exchange	(2,758)	(26,218)
Realized ten-year gifts (note 8)	-	1,000,000
	<u>542,731</u>	<u>1,501,112</u>
<b>Excess of revenue over expenses</b>	<u>1,302,890</u>	<u>3,028,640</u>

See accompanying notes to the financial statements.

# Wellspring Calgary

## Statement of Changes in Net Assets

For the year ended December 31, 2021

					2021	2020
	Unrestricted \$	Internally restricted – Sustainability (note 10) \$	John W. Stephure Tribute Fund (note 10) \$	Internally restricted invested in capital assets \$	Total \$	Total \$
<b>Net assets – Beginning of year</b>	4,391,325	4,000,000	2,901,035	4,232,340	15,524,700	12,491,639
Excess of revenue over expenses	1,302,890	-	-	-	1,302,890	3,028,640
Endowment contribution	-	-	1,500	-	1,500	1,500
Purchase of capital assets	(57,494)	-	-	57,494	-	2,921
Amortization of capital assets	246,380	-	-	(246,380)	-	-
Amortization of deferred contributions	(109,256)	-	-	109,256	-	-
<b>Net assets – End of year</b>	<b>5,773,845</b>	<b>4,000,000</b>	<b>2,902,535</b>	<b>4,152,710</b>	<b>16,829,090</b>	<b>15,524,700</b>

See accompanying notes to the financial statements.

# Wellspring Calgary

## Statement of Cash Flows

For the year ended December 31, 2021

	2021 \$	2020 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	1,302,890	3,028,640
Items not involving cash		
Amortization of capital assets	246,380	243,226
Amortization of deferred contributions	(109,256)	(111,058)
Net realized gain on sale of investments	(364,516)	(344,699)
Unrealized gain on investments	(180,973)	(182,631)
Unrealized loss on foreign exchange	2,758	26,218
Net change in non-cash working capital (note 15)	(295,303)	(873,668)
Cash provided by operating activities	601,980	1,786,028
<b>Financing activities</b>		
Endowment contribution	1,500	1,500
Cash provided by financing activities	1,500	1,500
<b>Investing activities</b>		
Purchase of short-term investment	-	(500,000)
Proceeds from sale of short-term investment	500,000	602,865
Purchase of capital assets	(57,494)	(194,868)
Purchase of investments	(5,316,088)	(9,437,468)
Proceeds from sale of investments	4,874,860	8,750,747
Cash used in investing activities	1,278	(778,724)
<b>Increase in cash and cash equivalents during the year</b>	604,758	1,008,804
<b>Cash and cash equivalents – Beginning of year</b>	2,509,692	1,500,888
<b>Cash and cash equivalents – End of year</b>	3,114,450	2,509,692
<b>Cash is represented by</b>		
Cash	2,948,559	2,473,608
Cash equivalents held with investment advisers	165,891	36,084
	3,114,450	2,509,692

See accompanying notes to the financial statements.

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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### 1 Purpose of the Organization

Wellspring Calgary (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 was incorporated, without share capital, under the Alberta Companies Act on February 16, 2006 and is a registered charity under the Income Tax Act.

The Organization currently operates out of two locations, Carma House and Randy O'Dell House.

### 2 COVID-19

The Organization has suspended operations in each of its houses and moved quickly to online programming. Though it has been able to offer fewer programs overall due to this setback, the Organization achieved a record number of member participation in the year due to the fact that online programs do not limit participation in each program. The timing of the Organization's fundraising events was disrupted, however all the regularly scheduled events were staged either online, or appropriately socially distanced.

Management has assessed the financial impact of COVID-19 at December 31, 2021 including the collectibility of receivables, valuation of assets and the assessment of provisions. The current economic challenges resulted in less event donation revenue in 2021 and 2020 than the revenue levels pre COVID-19, however this was offset by investment revenue increases over prior year and government assistance received in the year, in the form of Canada Emergency Wage Subsidies. As well, the costs to stage events were significantly reduced. Finally, the Organization has a Sustainability Fund amount in place to offset possible negative impacts. COVID-19 may have the following impacts on future operations of the Organization: reduced revenues due to the economic downturn and a reduced ability to stage events. To mitigate any potential operational constraints associated with possible cash flow reductions, management will continue to take advantage of any government assistance the Organization is eligible for. As well, its fundraising efforts will expand and the Organization will continue to look for new sources.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Organization is not known at this time. The Organization will continue to monitor the impacts of the pandemic on the community that it serves and its employees and continue to adjust to the situation.

### 3 Summary of significant accounting policies

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

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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### 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 life of capital assets and revenue and expenditure accruals. Actual results could differ from those estimates.

### b) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Contributions restricted for the purchase of depreciable capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Contributions restricted for the purchase of non-depreciable assets are recognized as direct increases in net assets. Endowment contributions are recognized as direct increases in net assets.

Unrestricted investment income is recognized as revenue when earned.

The Organization may receive government subsidies, which provide immediate financial assistance as compensation for costs or expenditures to be incurred. The Organization recognizes government subsidies 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%

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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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 4,736 hours assisting the Organization (2020 – 6,632 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 the fair value on the date of receipt. During the year, the Organization did not receive any such donations (2020 – \$nil).

### **e) 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.

### **f) 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.

### **g) Short-term investment**

Short-term investment is a bank financial instrument that is highly liquid with a maturity of more than three months and less than one year, readily convertible into known amounts of cash and subject to insignificant risk of change in value.

### **h) 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.

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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### i) 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 3(j). The financial assets subsequently measured at amortized cost include cash and cash equivalents, short-term investment, and interest, receivables and deposits. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

### j) Investments

Segregated funds and pooled funds that are traded in the open market are measured at fair value. If an impairment has occurred, an assessment is performed to determine if a reduction to the recoverable amount will be recognized. Writedowns of permanent impairment losses will be recognized in the statement of operations.

### k) 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 transaction and foreign assets and liabilities are translated at the year-end rates of exchange.

## 4 Short-term investment

Short-term investment of \$nil (2020 – \$500,000) was invested in a highly liquid bank financial instrument.

## 5 Capital assets

			2021	2020
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	2,328,876	-	2,328,876	2,328,876
Carma House	1,414,119	358,221	1,055,898	1,052,642
Randy O'Dell House	5,243,632	258,699	4,984,933	5,082,580
Furniture and equipment	413,273	271,059	142,214	209,099
Computer hardware	259,647	174,143	85,504	113,114
	9,659,547	1,062,122	8,597,425	8,786,311

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 that was completed and in operation as of May 2009.

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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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.

### 6 Investments

	2021 \$	2020 \$
<b>Segregated funds</b>		
Canadian equities	1,774,401	1,505,233
International equities	2,365,162	2,126,552
Bonds	2,410,543	2,426,301
	<u>6,550,106</u>	<u>6,058,086</u>
<b>Pooled funds</b>		
Canadian equities	1,127,806	872,475
International equities	2,657,005	2,394,651
Bonds	1,857,798	1,883,544
	<u>5,642,609</u>	<u>5,150,670</u>
	<u>12,192,715</u>	<u>11,208,756</u>

All long-term 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 16.

Segregated funds and pooled funds are measured at fair value. There has been no impairment recognized in relation to either the segregated funds or the pooled funds in the current year.

### 7 Deferred donations

	2021 \$	2020 \$
<b>Balance – Beginning of year</b>	2,977,939	2,792,256
Restricted donations from Alberta Cancer Foundation	152,000	117,832
Restricted donations from Government of Alberta, Mental Health	-	211,474
Other restricted donations received	37,500	269,000
Casino proceeds	28,665	56,154
	<u>3,196,104</u>	<u>3,446,716</u>
Used for programs in year	(669,942)	(468,777)
<b>Balance – End of year</b>	<u>2,526,162</u>	<u>2,977,939</u>

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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Deferred donations consist of funds received that are restricted for designated purposes and are recognized in income when expenditures meeting the restrictions are made. Casino proceeds are for designated expenditures and are recognized in income when the expenditures are incurred.

### 8 Deferred contributions – Ten-year gifts

The ten-year gifts represent contributions in prior years from individuals subject to the direction that they be retained for a minimum of ten years. On expiration of the ten-year restriction, the funds are recognized into revenue and are available for general purpose use.

The final remaining contribution of \$1,000,000 was recognized in revenue by the Organization in 2020.

### 9 Deferred contributions – Carma House, Randy O’Dell House

#### Carma House

The deferred 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%.

	2021 \$	2020 \$
<b>Balance – Beginning of year</b>	1,021,883	1,048,483
Amortization of deferred contribution	<u>(26,600)</u>	<u>(26,600)</u>
<b>Balance – End of year</b>	<u>995,283</u>	<u>1,021,883</u>

#### Randy O’Dell House

Deferred 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 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%.

	2021 \$	2020 \$
<b>Balance – Beginning of year</b>	3,504,306	3,576,560
Amortization of deferred contribution	<u>(72,254)</u>	<u>(72,254)</u>
<b>Balance – End of year</b>	<u>3,432,052</u>	<u>3,504,306</u>

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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### 10 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 \$121,632 (2020 – \$63,558) is recognized as revenue.

#### 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 operating revenue; cover underfunded programs and services if needed; contribute to capital replacement and repair; or provide for future development of the Organization.

#### 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, Randy O'Dell House and contributed capital assets.

### 11 Remuneration for fundraising

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

	2021 \$	2020 \$
Remuneration to employees whose principal duties involve fundraising	347,403	312,615

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

### 12 Campaign for Wellspring Calgary

In 2016, the Organization commenced a campaign to raise \$12.9 million to meet growing demands within the community. The campaign goals included construction and operation of a second permanent facility called Randy O'Dell House, which now serves as a platform for serving southern Alberta and provide further operational sustainability for the Organization.

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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The campaign was completed in 2019, and the following has been raised and recorded as of December 31, 2021:

	\$
Unrestricted	4,967,711
Restricted for programs	2,661,022
Restricted for capital (Randy O'Dell House)	4,641,408
Endowments	11,741
	<u>12,281,882</u>

While the campaign was completed in 2019 and Randy O'Dell House is currently operating, pledged amounts continue to be received. In 2021, \$546,000 was received and recorded as revenue. In addition, pledges of \$726,000 remain, but have not been recorded in the financial statements. The pledges are expected to be received over the next several years and will be recorded as revenue when received.

### 13 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.

	2021 \$	2020 \$
Program	588,741	535,269
Fundraising	9,327	8,560
Administration	9,327	8,560
	<u>607,395</u>	<u>552,389</u>

### 14 Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts come due. As of December 31, 2021, there were no amounts outstanding and payable to government authorities (2020 – \$nil).

### 15 Net change in non-cash working capital

	2021 \$	2020 \$
Interest, receivables and deposits	27,367	262,382
Accounts payable and accrued liabilities	118,705	(336,858)
Deferred donations (note 7)	(451,777)	200,808
Exclude amortization of contributed capital assets	10,402	-
Ten-year gifts (note 8)	-	(1,000,000)
	<u>(295,303)</u>	<u>(873,668)</u>

# Wellspring Calgary

## Notes to Financial Statements

December 31, 2021

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### 16 Financial risk management

#### a) 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 the issuers or these securities operate in and their respective business performance. These investments mature at various dates from January 2022 to December 2051 and have market yields varying from approximately 0.5% to 5.38%. 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 effects of the pandemic have caused governments and central banks to introduce significant monetary and fiscal relief programs, resulting in lower interest rates short term. The long-term nature of these assets mitigates this risk and has resulted in Management's assessment that there are no concerns with the valuation of the Organization's investments.

#### b) Liquidity risk

The Organization may be subject to liquidity risk if required to realize its investments in the near term. The risk is mitigated in part by the Organization maintaining a certain level of cash-on-hand to meet current operating requirements. To date, the pandemic has not caused the Organization to draw unusually on cash-on-hand and there is no reason to realize its investments at this time.

#### c) 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.

#### d) 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.

#### e) 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.

**Wellspring Calgary**  
Notes to Financial Statements  
December 31, 2021

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**17 Commitment**

**Equipment lease**

In 2018, the Organization entered into a lease agreement for two photocopiers. The agreement will expire in 2023. The remaining lease payments are as follows:

	\$
2022	9,183
2023	<u>6,887</u>
	<u>16,070</u>

**18 Comparative information**

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