Wellspring Alberta

Financial Statements
December 31, 2022 and 2021

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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of operations for the years then ended;
- the statements of changes in net assets for the years then ended;
- the statements of cash flows for the years 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.

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 31, 2023

Wellspring Alberta

Statements of Financial Position

As at December 31, 2022 and 2021

	2022 $	2021 $ (Combined – note 2)
Assets		
Current assets		
Cash and cash equivalents	3,064,226	3,975,915
Interest, receivables and deposits	119,529	109,211
	3,183,755	4,085,126
Capital assets (note 5)	11,774,572	12,027,620
Investments (note 6)	11,356,270	12,192,715
	26,314,597	28,305,461
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 13)	218,010	241,694
Deferred donations (note 7)	1,160,921	1,056,815
	1,378,931	1,298,509
Deferred contributions		
Deferred donations (note 7)	1,354,816	1,955,118
Carma House (note 8)	968,683	995,283
Edmonton House (note 8)	2,065,002	2,120,222
Randy O'Dell House (note 8)	3,359,799	3,432,052
	9,127,231	9,801,184
Net assets		
John W. Stephure Tribute Fund (note 9)	2,902,535	2,902,535
Internally restricted invested in capital assets (note 9)	5,372,079	5,471,054
Internally restricted – sustainability (note 9)	4,147,092	4,000,000
Unrestricted	4,765,660	6,130,688
	17,187,366	18,504,277
	26,314,597	28,305,461

Commitment (note 16)

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

Approved by the Board of Directors

_______________ Director _______________ Director

Wellspring Alberta

Statements of Operations

For the years ended December 31, 2022 and 2021

	2022 $	2021 $ (Combined – note 2)
Revenue		
Donations (notes 3 and 7)	3,126,659	2,507,925
Event revenue and donations	275,146	357,129
Government assistance – COVID-19	24,509	476,615
Investment income	608,994	686,417
Donated securities (note 4(e))	439,668	19,350
Recovery of expenses	24,309	16,344
Amortization of deferred contributions	154,074	155,116
	4,653,359	4,218,896
Expenses		
Programs	3,040,489	2,446,580
Fundraising	297,981	334,860
Administration	330,963	292,807
Events	65,623	24,772
Amortization of capital assets	319,560	336,721
	4,054,616	3,435,740
Excess of revenue over expenses before other items	598,743	783,156
Other items		
Unrealized (loss) gain on investments	(1,978,383)	180,973
Realized gain on sale of investments	91,009	364,516
Unrealized gain (loss) on foreign exchange	122,606	(2,758)
Other items related to amalgamation	(150,886)	-
	(1,915,654)	542,731
(Deficiency) excess of revenue over expenses	(1,316,911)	1,325,887

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

Wellspring Alberta

Statements of Changes in Net Assets

For the years ended December 31, 2022 and 2021

					2022	2021
	Unrestricted **$**	**Internally restricted – sustainability** **$** (note 9)	**John W. Stephure Tribute Fund** **$** (note 9)	**Internally restricted invested in capital assets** **$**	**Total** **$**	**Total** **$** (Combined – note 2)
Net assets – Beginning of year (Combined – note 2)	6,130,688	4,000,000	2,902,535	5,471,054	18,504,277	17,176,890
(Deficiency) excess of revenue over expenses	(1,316,911)	-	-	-	(1,316,911)	1,325,887
Internal restriction (note 9)	(147,092)	147,092	-	-	-	1,500
Purchase of capital assets	(66,511)	-	-	66,511	-	-
Amortization of capital assets	319,560	-		(319,560)	-	-
Amortization of deferred contributions	(154,074)	-	-	154,074	-	-
Net assets – End of year	4,765,660	4,147,092	2,902,535	5,372,079	17,187,366	18,504,277

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

Wellspring Alberta

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

	2022 $	2021 $ (Combined – note 2)
Cash provided by (used in)		
Operating activities		
(Deficiency) excess of revenue over expenses	(1,316,911)	1,325,887
Items not involving cash		
Amortization of capital assets	319,560	336,721
Amortization of deferred contributions	(154,074)	(155,116)
Net realized gain on sale of investments	(91,009)	(364,516)
Stock donation	(442,812)	-
Unrealized loss (gain) on investments	1,978,383	(180,973)
Unrealized (gain) loss on foreign exchange	(122,606)	2,758
Net change in non-cash working capital (note 14)	(530,198)	(284,822)
Cash provided by operating activities	(359,667)	679,939
Financing activities		
Endowment contribution	-	1,500
Cash provided by financing activities	-	1,500
Investing activities		
Proceeds from sale of short-term investment	-	500,000
Purchase of capital assets	(66,511)	(57,494)
Purchase of investments	(2,826,799)	(5,316,088)
Proceeds from sale of investments	2,341,288	4,874,860
Cash used in investing activities	(552,022)	1,278
(Decrease) increase in cash and cash equivalents during the year	(911,689)	682,717
Cash and cash equivalents – Beginning of year	3,975,915	3,293,198
Cash and cash equivalents – End of year	3,064,226	3,975,915
Cash and cash equivalents is represented by		
Cash	2,943,314	3,810,024
Cash equivalents held with investment advisers	120,912	165,891
	3,064,226	3,975,915

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 Amalgamation of Wellspring Calgary and Wellspring Edmonton

Wellspring Calgary (WC) was incorporated, without share capital, under the Alberta Companies Act on February 16, 2006 and was a registered charity under the Income Tax Act. Wellspring Edmonton (WE) was incorporated, without share capital, under the Alberta Companies Act on August 7, 2009 and was a registered charity under the Income Tax Act. On August 24, 2022, Wellspring Calgary and Wellspring Edmonton amalgamated and the amalgamated entity is now known as Wellspring Alberta. The new organization is a registered charity under the Income Tax Act.

This amalgamation will increase operational efficiencies and further the impact of both organizations on those living or impacted by cancer in Alberta. This amalgamation has allowed Wellspring Alberta to accelerate the impact of donor dollars as it relates to the Organization's mission and newly expanded Provincial scope.

The amalgamation brings opportunities to create operational efficiencies while also presenting the challenge of filling new gaps to accommodate scaling needs. To guarantee long-term success, there was and continues to be a need for a substantial upfront investment, which is essential for bridging significant operational gaps. While this initial investment has led to a reduction in cash reserves, it sets the stage for operational efficiencies and provincial scalability. Additionally, there were significant costs associated with the amalgamation, including re-branding, legal fees, and project management, all of which required upfront investment.

Management has followed the guidance in Section 4449 Combinations by not-for-profit organizations of the Accounting Standards for Not-for-Profit Organizations (ASNPO), Handbook. Under this guidance the amalgamation of WC and WE meets the definition of a merger and merger accounting has been applied in these financial statements.

The results for the year ended December 31, 2022 are those of the amalgamated entity as if they have always been combined. The prior year comparative figures show the aggregated results for the two entities when they were operating independently. The aggregated results include adjustments made to the comparative balances of WE to align the prior year accounting policies with those of the combined organization. The adjustments are as follows:

Combined statement of operations for the year ended December 31, 2021:

	Wellspring Calgary $	Wellspring Edmonton $	Adjustments $	Total $
Total revenue	3,584,614	705,812	(71,530)	4,218,896
Total expenses	2,824,456	725,161	(113,877)	3,435,740
Other items	542,731	-	-	542,731
Excess (deficiency) of revenue over expenses	1,302,890	(19,349)	42,346	1,325,887

Combined statement of financial position as at December 31, 2021:

	Wellspring Calgary $	Wellspring Edmonton $	Adjustments $	Total $
Total assets	23,982,861	3,753,217	569,383	28,305,461
Total liabilities	7,153,771	2,260,132	387,281	9,801,184
Net assets	16,829,091	1,493,085	182,101	18,504,277

Adjustments included in the above tables were necessary to align the amortization rates for capital assets for Edmonton House as well as deferred contributions for Edmonton House in the new entity.

3 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 provides further operational sustainability for the Organization.

In 2022 a number of significant pledges were completed and this funding stream is coming to an end. As the campaign has been a significant source of funding in recent years, there is a need to replace these amounts in subsequent years.

The following was raised and recorded as at December 31, 2022 and 2021:

	$
Unrestricted	5,328,711
Restricted for programs	2,661,022
Restricted for capital (Randy O'Dell House)	4,641,408
Endowments	11,741
	12,642,882

While the campaign was completed in 2019 and Randy O'Dell House is currently operating, pledged amounts continue to be received. In 2022, $361,000 was received and recorded as revenue. In addition, pledges of $365,000 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.

4 Significant accounting policies

The financial statements of the Organization have been prepared in accordance with ASNPO and include the following:

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

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%

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 statements of operations. Writedowns are not subsequently reversed.

d) Donations-in-kind

Volunteers contributed 7,163 hours assisting the Organization (2021 – 6,352 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 (2021 – $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) 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.

h) 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 4(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 Foundation in the transaction. In 2022, legal fees of approximately $83,000 (2021 – $nil) were paid to a law firm in which the Wellspring Alberta President of the Board is a Partner.

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 the reversal occurs.

i) 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 statements of operations.

j) 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.

5 Capital assets

			2022	2021
	Cost $	Accumulated amortization $	Net $	Net $
Land	2,328,876	-	2,328,876	2,328,876
Carma House	1,428,348	386,894	1,041,454	1,055,898
Edmonton House	3,795,891	455,507	3,340,384	3,416,302
Randy O'Dell House	5,262,999	363,773	4,899,226	4,984,933
Furniture and equipment	483,522	385,490	98,032	146,790
Computer hardware	309,097	242,497	66,600	94,821
	13,608,733	1,834,161	11,774,572	12,027,620

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.

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 million 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.

6 Investments

	2022 $	2021 $
Segregated funds		
Canadian equities	1,632,623	1,774,401
International equities	2,455,991	2,365,162
Bonds	2,327,604	2,410,543
	6,416,218	6,550,106
Pooled funds		
Canadian equities	928,022	1,127,806
International equities	1,975,059	2,657,005
Bonds	2,036,971	1,857,798
	4,940,052	5,642,609
	11,356,270	12,192,715

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 15.

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

	2022 $	2021 $
Balance – Beginning of year	3,011,933	3,325,064
Restricted donations from Alberta Cancer Foundation	272,832	304,000
Restricted donations from Government of Alberta, Mental Health	300,000	-
Other restricted donations received	237,000	162,500
Casino proceeds	236,414	28,665
	4,058,179	3,820,229
Used for programs in year	(1,542,442)	(808,296)
Balance – End of year	2,515,737	3,011,933

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 – Carma House, Edmonton 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%.

	2022 $	2021 $
Balance – Beginning of year	995,283	1,021,883
Amortization of deferred contribution	(26,600)	(26,600)
Balance – End of year	968,683	995,283

Edmonton House

Deferred 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 contribution is amortized into revenue at the same amortization rate as applied to Edmonton House, which represents a straight-line basis of 2% – 4%.

	2022 $	2021 $
Balance – Beginning of year	2,120,222	2,166,082
Amortization of deferred contribution	(55,220)	(45,860)
Balance – End of year	2,065,002	2,120,222

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%.

	2022 $	2021 $
Balance – Beginning of year	3,432,052	3,504,306
Amortization of deferred contribution	(72,253)	(72,254)
Balance – End of year	3,359,799	3,432,052

9 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 $98,857 (2021 – $121,632) 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.

During the year, the board internally restricted an amount of $147,092 be used for the long-term sustainability 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, Edmonton House, Randy O'Dell House and contributed capital assets.

10 COVID-19

The Organization moved back to in-person programming in June of 2022 while continuing its online programming.

Management assessed the financial impact of COVID-19 as at December 31, 2022 including the collectibility of receivables, valuation of assets and the assessment of provisions. The current economic challenges resulted in a reduced amount of event donation revenue in 2022 than the revenue levels pre COVID-19, which was offset by reduced costs to stage events.

11 Remuneration for fundraising

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

	2022 $	2021 $
Remuneration to employees whose principal duties involve fundraising	244,534	347,403

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

12 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.

	2022 $	2021 $
Program	806,268	887,288
Fundraising	15,507	28,960
Administration	15,507	28,960
	837,282	945,208

13 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, 2022 and 2021, there were $nil amounts outstanding and payable to government authorities (2021 – $nil).

14 Net change in non-cash working capital

	2022 $	2021 $
Interest, receivables and deposits	(10,318)	(3,573)
Accounts payable and accrued liabilities	(23,684)	160,126
Deferred donations (note 7)	(496,196)	(451,777)
Exclude amortization of contributed capital assets	-	10,402
	(530,198)	(284,822)

15 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 2023 to December 2081 and have market yields varying from approximately 0.35% to 6.25%. 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. Coming out of the pandemic we are seeing higher interest rates due to the effects of inflation. 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.

b) Liquidity risk

The Organization may be subject to liquidity risk if expenses increased to the point where they were 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. 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. The Organization continues to pursue donors interested in providing gifts to increase the endowment which increases long-term sustainability.

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.

16 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.

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:

	$
2023	6,887