

**Ryan's Well Foundation**  
**Financial Statements**  
**March 31, 2016**

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# Raymond Chabot Grant Thornton

## Independent Auditor's Report

To the Directors of  
Ryan's Well Foundation

**Raymond Chabot Grant Thornton LLP**  
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We have audited the accompanying financial statements of Ryan's Well Foundation, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Basis for qualified opinion**

In common with many non-profit organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess (deficiency) of revenues over expenses and cash flows from operating activities for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1, 2015 and 2014 and March 31, 2016 and 2015. Our opinion on the financial statements for the year ended March 31, 2015 was qualified accordingly because of the possible effects of this limitation in scope.

**Qualified opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ryan's Well Foundation as at March 31, 2016 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.

*Raymond Chabot Grant Thornton LLP*

Chartered Accountants,  
Licensed Public Accountants

Ottawa, Canada  
June 27, 2016

# Ryan's Well Foundation Operations

Year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>Revenue</b>		
Non-receipted donations (Note 3)	<b>541,300</b>	515,276
Receipted donations (Note 3)	<b>236,539</b>	286,343
Other	<b>3,556</b>	6,663
Foreign exchange gain (loss)	<b>(4,496)</b>	26,857
	<u><b>776,899</b></u>	<u>835,139</u>
<b>Expenses</b>		
Administrative (Schedule A)	<b>94,848</b>	82,408
Fundraising (Schedule B)	<b>61,891</b>	73,045
Building program (Schedule C)	<b>583,998</b>	539,183
Education program (Schedule D)	<b>50,204</b>	52,769
Motivate program (Schedule E)	<b>63,979</b>	70,167
	<u><b>854,920</b></u>	<u>817,572</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u><b>(78,021)</b></u>	<u>17,567</u>

The accompanying notes and schedules are an integral part of the financial statements.

## Ryan's Well Foundation Changes in Net Assets

Year ended March 31, 2016

	2016		2015
	Operating fund	Invested in capital assets	Total
	\$	\$	\$
Balance, beginning of year	<b>287,568</b>	<b>942</b>	270,943
Excess (deficiency) of revenues over expenses	<b>(77,615)</b>	<b>(406)</b>	17,567
Balance, end of year	<b>209,953</b>	<b>536</b>	288,510

The accompanying notes and schedules are an integral part of the financial statements.

## Ryan's Well Foundation

### Cash Flows

Year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	(78,021)	17,567
Non-cash items		
Amortization of tangible capital assets	406	474
Net change in working capital items and other deferred contributions		
Trade and other receivables	(344)	(1,132)
Prepaid expenses	(244)	6,683
Trade payables and other operating liabilities	(6,066)	10,526
Deferred contributions	(455)	3,500
Cash flows from operating activities	(84,724)	37,618
<b>INVESTING ACTIVITIES</b>		
Tangible capital assets and cash flows from investing activities		(622)
<b>Net increase (decrease) in cash</b>	<b>(84,724)</b>	<b>36,996</b>
Cash, beginning of year	<u>317,980</u>	<u>280,984</u>
Cash, end of year	<u><b>233,256</b></u>	<u><b>317,980</b></u>

The accompanying notes and schedules are an integral part of the financial statements.

# Ryan's Well Foundation


## Financial Position

March 31, 2015

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>ASSETS</b>		
Current		
Cash	233,256	317,980
Trade and other receivables	6,735	6,391
Prepaid expenses	<u>1,040</u>	<u>796</u>
	241,031	325,167
Long-term		
Tangible capital assets (Note 5)	<u>536</u>	<u>942</u>
	<u><u>241,567</u></u>	<u><u>326,109</u></u>
<b>LIABILITIES</b>		
Current		
Trade payables and other operating liabilities (Note 6)	28,033	34,099
Deferred contributions (Note 7)	<u>3,045</u>	<u>3,500</u>
	<u>31,078</u>	<u>37,599</u>
<b>NET ASSETS</b>		
Invested in Capital Assets	536	942
Operating Fund	<u>209,953</u>	<u>287,568</u>
	<u>210,489</u>	<u>288,510</u>
	<u><u>241,567</u></u>	<u><u>326,109</u></u>

The accompanying notes and schedules are an integral part of the financial statements.

On behalf of the Board,

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# Ryan's Well Foundation

## Notes to Financial Statements

March 31, 2015

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### **1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

Ryan's Well Foundation is a not-for-profit corporation whose mission is to work with local partners to provide clean water and proper sanitation facilities along with related health service to water-poor people in developing countries. The Foundation educates individuals, schools and other service organizations locally as well as internationally to better understand the needs to those living in the developing world and the importance of clean water for each and every one of us. The Foundation strives to motivate youth and adults and inspires present and future leaders to realize their own global visions. The Foundation was incorporated under the Corporations Act of Ontario and is a registered charity under the Income Tax Act and is therefore exempt from income taxes.

### **2 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

The Foundation's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedules. These estimates are based on management's knowledge of current events and actions that the Foundation may undertake in the future. Actual results may differ from these estimates.

#### **Revenue recognition**

##### *Receipted and non-receipted donations*

The Foundation follows the deferral method of accounting for donations. Under this method, donations restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

##### *Interest income*

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

#### **Expenditures**

Project related expenditures advanced to recipient organizations are recognized upon payment to implementing agencies, which is in accordance with the terms stipulated in the funding agreements.



# Ryan's Well Foundation

## Notes to Financial Statements

March 31, 2015

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial assets and liabilities

##### *Initial measurement*

Upon initial measurement, the Foundation's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

##### *Subsequent measurement*

At each reporting date, the Foundation measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

Transaction costs relating to financial assets and liabilities that are measured at amortized cost are amortized on a straight-line basis over the term of the related financial instrument.

With respect to financial assets measured at amortized cost, the Foundation assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Foundation determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

#### Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Foundation receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date.

##### *Amortization*

Tangible capital assets are amortized over their estimated useful lives according to the diminishing balance method at the following annual rates:

	<u>Rates</u>
Computers	45%
Furniture and fixtures	20%

##### *Write-down*

When the Foundation recognizes that a tangible capital asset no longer has any long-term service potential, the excess of the net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of operations.

# Ryan's Well Foundation

## Notes to Financial Statements

March 31, 2015

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contributed supplies and services

The Foundation may recognize contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

#### Allocation of expenses

The Foundation engages in administration, fundraising, building, education, and motivate programs. The costs of each program include the costs of salaries and wages, consulting and contracts, rent and other expenses that are directly related to providing the program. The Foundation also incurs general support expenses that are common to the administration of the organization and each of its programs.

Salaries and wages, consulting and contract expenses are allocated based on the percentage of time employees and consultants spend working on each program. Rent is allocated equally to each program. Other expenses are also allocated based on estimated usage.

#### Foreign currency translation

The Foundation uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the balance sheet date. Revenue and expenses are translated at the average rate for the period, with the exception of the amortization of assets translated at the historical exchange rates which is translated at the same exchange rates as the related assets. The related exchange gains and losses are accounted for in the operations for the year.

### 3 - DONATIONS

	<u>2016</u>	<u>2015</u>
	<u>Total</u>	<u>Total</u>
	\$	\$
Foundations	327,988	226,802
Individuals	299,965	376,284
Schools	83,800	96,639
Businesses	46,425	75,780
Others	21,911	26,114
	<u>780,089</u>	<u>801,619</u>

# Ryan's Well Foundation

## Notes to Financial Statements

March 31, 2015

### 4 - ALLOCATION OF EXPENSES

Management costs allocated to programs and fundraising activities are as follows:

					2016
	Fundraising	Building	Education	Motivate	Total
	\$	\$	\$	\$	\$
Salaries and wages	43,539	47,493	42,717	48,250	181,999
Rent	2,495	2,495	2,495	2,495	9,980
Printing and publications	5,312	906	2,295	2,445	10,958
Miscellaneous	839	1,084	1,129	1,098	4,150
	<u>52,185</u>	<u>51,978</u>	<u>48,636</u>	<u>54,288</u>	<u>207,087</u>
					2015
	Fundraising	Building	Education	Motivate	Total
	\$	\$	\$	\$	\$
Salaries and wages	44,600	51,456	41,310	45,433	182,799
Rent	2,660	2,660	2,660	2,660	10,640
Printing and publications	4,958	906	984	984	7,832
Miscellaneous	1,045	1,610	1,547	1,423	5,625
	<u>53,263</u>	<u>56,632</u>	<u>46,501</u>	<u>50,500</u>	<u>206,896</u>

### 5 - TANGIBLE CAPITAL ASSETS

	2016			2015
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Computer equipment	18,879	18,402	477	869
Furniture and fixtures	1,756	1,697	59	73
	<u>20,635</u>	<u>20,099</u>	<u>536</u>	<u>942</u>

### 6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

Government remittances total \$3,267 as at March 31, 2016 (\$5,465 as at March 31, 2015).

### 7 - DEFERRED CONTRIBUTIONS

	2016	2015
	\$	\$
Balance, beginning of year	3,500	-----
Amounts received		
Strategy meeting	2,100	3,500
Amounts recognized as revenue		
Strategy meeting	(2,555)	
	<u>3,045</u>	<u>3,500</u>

# Ryan's Well Foundation

## Notes to Financial Statements

March 31, 2015

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### **8 - COMMITMENTS**

The Foundation has entered into long-term lease agreements for the rental and maintenance of the photocopier as well as for the rental of the building for a total of \$23,085. Minimum lease payments for the photocopier for the next two years are \$4,616 in 2017 and \$4,231 in 2018. Minimum lease payments for the building for the next two years are \$13,052 in 2017 and \$1,186 in 2018.

### **9 - FINANCIAL INSTRUMENTS**

#### **Financial risks**

The Foundation's main financial risk exposure is detailed as follows.

#### *Credit risk*

The Foundation is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Foundation has determined that the financial assets with more credit risk exposure are trade and other receivables since failure of any of these parties to fulfil their obligations could result in financial losses for the Foundation.

#### *Market risk*

The Foundation's financial instruments expose it to market risk, in particular, to currency risk which results from its operating activities:

#### – Currency risk:

The majority of the Foundation's transactions are in Canadian dollars. Currency risk results from the Foundation's donations denominated in foreign currency which are primarily in U.S. dollars. As at March 31, 2016, the Foundation is exposed to currency risk due to cash denominated in U.S. dollars totalling \$47,137 (\$221,667 as at March 31, 2015).

#### *Liquidity risk*

The Foundation's liquidity risk represents the risk that the Foundation could encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

#### **Carrying amount of financial assets by categories**

The Foundation's financial assets, totalling \$239,991 (\$324,371 as at March 31, 2015), have all been classified as financial assets measured at amortized cost.

# Ryan's Well Foundation

## Schedules

Year ended March 31, 2016

### SCHEDULE A

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>ADMINISTRATIVE</b>		
Amortization of tangible capital assets	406	474
Auditing and legal	8,835	14,108
Consulting and contracts	15,593	9,684
Interest and bank charges	1,543	2,361
Memberships and licenses	1,943	1,280
Miscellaneous	6,081	4,090
Office supplies	2,706	1,338
Printing and publications	906	906
Rent	2,495	2,660
Repairs and maintenance	2,324	1,546
Salaries and wages	52,016	43,961
	<u>94,848</u>	<u>82,408</u>

### SCHEDULE B

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>FUNDRAISING</b>		
Consulting and contracts		6,418
Courier and postage	1,644	1,262
Interest and bank charges	4,498	6,373
Memberships and licenses	710	1,338
Miscellaneous	3,693	5,436
Printing and publications	5,312	4,958
Rent	2,495	2,660
Salaries and wages	43,539	44,600
	<u>61,891</u>	<u>73,045</u>

# Ryan's Well Foundation

## Schedules

Year ended March 31, 2016

	<b>SCHEDULE C</b>	
	<u>2016</u>	<u>2015</u>
	\$	\$
<b><i>BUILDING PROGRAM</i></b>		
Consulting and contracts		2,139
Miscellaneous	3,116	2,997
Printing and publications	906	906
Rent	2,495	2,660
Salaries and wages	47,493	51,456
Travel	38,698	33,702
Well and sanitation projects	491,290	445,323
	<u>583,998</u>	<u>539,183</u>
	<b>SCHEDULE D</b>	
	<u>2016</u>	<u>2015</u>
	\$	\$
<b><i>EDUCATION PROGRAM</i></b>		
Consulting and contracts		2,139
Miscellaneous	2,491	3,495
Printing and publications	2,295	984
Rent	2,495	2,660
Salaries and wages	42,717	41,310
Travel	206	2,181
	<u>50,204</u>	<u>52,769</u>
	<b>SCHEDULE E</b>	
	<u>2016</u>	<u>2015</u>
	\$	\$
<b><i>MOTIVATE PROGRAM</i></b>		
Consulting and contracts		9,626
Miscellaneous	7,111	3,544
Printing and publications	2,445	984
Rent	2,495	2,660
Salaries and wages	48,250	45,433
Travel	3,678	7,920
	<u>63,979</u>	<u>70,167</u>