
THE WELLSPRING FOUNDATION FOR EDUCATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

INDEPENDENT AUDITORS' REPORT

To the Members of The Wellspring Foundation for Education

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Wellspring Foundation for Education (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditors' 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 auditors' 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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 that we identify during our audit, including any:

- Significant deficiencies in internal control;
- Identified fraud or suspected fraud; and

INDEPENDENT AUDITORS' REPORT

- Other matters related to fraud that are, in our judgement, relevant to the responsibilities of those charged with governance.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Manning Elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
April 18, 2026

THE WELLSRING FOUNDATION FOR EDUCATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Operating Fund	Restricted Fund	2025	2024
ASSETS				
CURRENT				
Cash	\$ 167,815	\$ 129,114	\$ 296,929	\$ 460,559
GST recoverable	5,939	-	5,939	7,127
Prepaid expenses	15,239	-	15,239	10,914
	188,993	129,114	318,107	478,600
INVESTMENTS (Note 4)	-	561,802	561,802	535,659
CAPITAL ASSETS (Note 5)	-	338	338	854
	\$ 188,993	\$ 691,254	\$ 880,247	\$ 1,015,113

LIABILITIES

CURRENT				
Accounts payable and accrued liabilities	\$ 5,726	\$ -	\$ 5,726	\$ 10,412

FUND BALANCES

UNRESTRICTED INTERNALLY	183,267	-	183,267	351,979
RESTRICTED (Note 6) EXTERNALLY	-	562,140	562,140	536,513
RESTRICTED (Note 6)	-	129,114	129,114	116,209
	183,267	691,254	874,521	1,004,701
	\$ 188,993	\$ 691,254	\$ 880,247	\$ 1,015,113

COMMITMENT (Note 8)

APPROVED BY THE BOARD

Director

Director

**THE WELLSRING FOUNDATION FOR EDUCATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Operating Fund	Restricted Fund	2025 Balance
FUND BALANCES, BEGINNING OF YEAR	\$ 351,979	\$ 652,722	\$ 1,004,701
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	(266,703)	136,523	(130,180)
INTERFUND TRANSFERS <i>(Note 11)</i>	97,991	(97,991)	-
FUND BALANCES, END OF YEAR	\$ 183,267	\$ 691,254	\$ 874,521

	Operating Fund	Restricted Fund	2024 Balance
FUND BALANCES, BEGINNING OF YEAR	\$ 331,618	\$ 701,759	\$ 1,033,377
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	(45,545)	16,869	(28,676)
INTERFUND TRANSFERS <i>(Note 11)</i>	65,906	(65,906)	-
FUND BALANCES, END OF YEAR	\$ 351,979	\$ 652,722	\$ 1,004,701

THE WELLSRING FOUNDATION FOR EDUCATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Restricted Fund	2025	2024
REVENUE				
Donations:				
General (Note 6)	\$ 1,008,489	\$ 452,774	\$ 1,461,263	\$ 1,905,175
Donations in-kind (Note 7)	21,421	-	21,421	15,498
Interest income	2,187	-	2,187	15,566
	1,032,097	452,774	1,484,871	1,936,239
EXPENSES				
International operations:				
Programs (Notes 8, 9)	742,678	439,353	1,182,031	1,351,101
Foreign exchange loss (gain)	11,907	-	11,907	(9,084)
Amortization of capital assets	-	516	516	1,916
Support operations:				
Fundraising (Note 9)	309,611	-	309,611	421,699
Administration (Note 9)	231,002	-	231,002	330,667
Rent	3,602	-	3,602	29,564
	1,298,800	439,869	1,738,669	2,125,863
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	(266,703)	12,905	(253,798)	(189,624)
OTHER INCOME				
Gain on sale of capital assets	-	96,684	96,684	62,899
Investment income	-	18,182	18,182	21,486
Change in fair value of investments	-	8,752	8,752	76,563
	-	123,618	123,618	160,948
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (266,703)	\$ 136,523	\$ (130,180)	\$ (28,676)

THE WELLSRING FOUNDATION FOR EDUCATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Restricted Fund	2025	2024
OPERATING ACTIVITIES				
(Deficiency) excess of revenue over expenses for the year	\$ (266,703)	\$ 136,523	\$ (130,180)	\$ (28,676)
Items not affecting cash:				
Amortization of capital assets	-	516	516	1,916
Gain on sale of capital assets	-	(96,684)	(96,684)	(62,899)
Change in fair value of investments	-	(8,752)	(8,752)	(76,563)
Donations in-kind received	(21,421)	-	(21,421)	(15,498)
Gain on sale of investments	-	-	-	(86)
	(288,124)	31,603	(256,521)	(181,806)
Changes in non-cash working capital:				
Accounts receivable	-	-	-	2,177
GST recoverable	1,188	-	1,188	2,337
Prepaid expenses	(4,325)	-	(4,325)	1,744
Accounts payable and accrued liabilities	(4,686)	-	(4,686)	(9,561)
	(7,823)	-	(7,823)	(3,303)
	(295,947)	31,603	(264,344)	(185,109)
INVESTING ACTIVITIES				
Proceeds on sale of investments	-	791	791	-
Purchase of investments	-	(18,182)	(18,182)	(22,149)
Proceeds on sale of donations in-kind	21,421	-	21,421	15,584
Proceeds on sale of capital assets	-	96,684	96,684	62,900
Proceeds on maturity of term deposit	-	-	-	100,000
	21,421	79,293	100,714	156,335
Interfund transfers	97,991	(97,991)	-	-
INCREASE (DECREASE) IN CASH DURING THE YEAR	(176,535)	12,905	(163,630)	(28,774)
CASH - BEGINNING OF YEAR	344,350	116,209	460,559	489,333
CASH - END OF YEAR	\$ 167,815	\$ 129,114	\$ 296,929	\$ 460,559

THE WELLSRING FOUNDATION FOR EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. NATURE OF OPERATIONS

The Wellspring Foundation for Education (the "Foundation") was established on May 27, 2003 and incorporated under the Society Act of the Province of British Columbia. The Foundation transitioned to the Societies Act of British Columbia in 2016. The Foundation is a registered charity under the Income Tax Act (Canada) and is exempt from income taxes. The Foundation's mandate is to build schools and train teachers in Rwanda, Africa.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. In management's opinion, these financial statements have been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Fund accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting as required by those entities that follow the restricted fund method of revenue recognition. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with directives issued by the Board of Directors (the "Board").

The Foundation presents its financial statements using the following funds:

The Operating Fund accounts for the Foundation's operating and administrative activities and reports unrestricted funds.

The Restricted Fund accounts for the Foundation's capital assets and restricted funds.

(b) Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. Restricted and unrestricted donations are recognized as revenue of the appropriate funds when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment, interest and other income is recognized as earned. Restricted contributions for which there is no corresponding restricted fund are recognized in the operating fund in accordance with the deferral method of accounting for contributions.

(c) Cash

Cash comprises funds held on deposit as well as restricted cash, which pertains to the portion of donations that are restricted and have not yet been utilized.

THE WELLSRING FOUNDATION FOR EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives on a straight-line basis as follows:

Computer equipment	3 years
--------------------	---------

The Foundation's policy is to record a write down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the capital asset no longer contributes to the Foundation's ability to provide goods and services or when the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the statement of operations and are not reversed.

(e) Financial instruments

(i) Measurement

The Foundation's financial instruments consist of cash, investments and accounts payable. The Foundation initially measures all of its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value of financial instruments carried at fair value are recognized in the statement of operations in the period incurred.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

(iii) Transaction costs

The Foundation recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(f) Allocation of expenses

The Foundation reports its expenses under the following functions: programs, fundraising and administration. Each of the functions is allocated a portion of the Foundation's total salaries and benefit expense based on the relative amount of time the Foundation's employees work on each function.

THE WELLSRING FOUNDATION FOR EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(g) Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the transaction date. Revenue and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the statement of operations.

(h) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of, or during the reporting period. Management believes that the estimates used are reasonable and prudent; however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the amounts recorded as accrued liabilities and the valuation of contributed services.

(i) Contributed services and materials

The Foundation benefits from contributed services in the form of volunteer time. The value of volunteer time is not recognized in these financial statements. Other contributed services and materials are recognized only when their fair values can be reasonably estimated and the services and materials are used in the normal course of operations and would have otherwise been purchased.

3. FINANCIAL INSTRUMENTS RISKS

The Foundation's financial instruments are described in Note 2(e). In management's opinion, the Foundation is not exposed to significant credit, liquidity, market, currency, interest rate or other price risks arising from these financial instruments, except as described below. In addition, the Foundation is not exposed to any material concentrations of risk and there has been no significant change in risk exposures from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's financial assets that are exposed to credit risk is cash. The risk associated with cash is minimized to the extent that it is primarily placed with financial institutions.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable. The Foundation's ability to meet obligations depends on the receipt of donations from its donors and funding from various government agencies. The Foundation controls liquidity risk by managing its working capital and cash flows.

THE WELLSPRING FOUNDATION FOR EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

3. FINANCIAL INSTRUMENTS RISKS *(continued)*

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash year end flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign currency exchange risk as a significant portion of the Foundation's cash and investments are denominated in foreign currencies. At year end, the Foundation had cash balances of \$50,197 (2024 – \$41,150) denominated in U.S. dollars and \$13,417 (2024 – \$597) denominated in Rwandan francs. The Foundation also holds investments of \$561,802 (2024 - \$535,659) denominated in U.S. dollars. The Foundation mitigates this risk through monitoring exchange rate fluctuation and engaging a professional investment manager.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Foundation is exposed to interest rate risk primarily through its investments. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through diversifying the types of investments, engaging a professional investment manager and through its normal operating and financing activities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its equity investments. The Foundation controls other price risk by maintaining a diverse investment portfolio and engaging a professional investment manager.

4. INVESTMENTS

Restricted investments are all held in U.S. dollars and consist of the following amounts converted to Canadian dollars:

	2025	2024
Balanced	\$ 263,832	\$ 247,793
Equity	157,894	148,712
Fixed income	140,076	139,154
	\$ 561,802	\$ 535,659

The investments have a cost base of \$429,241 (2024 - \$434,297).

THE WELLSRING FOUNDATION FOR EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 20,778	\$ 20,440	\$ 338	\$ 854

6. RESTRICTED FUND BALANCES

	2025	2024
Internally restricted		
Investment fund (Note 4)	\$ 561,802	\$ 535,659
Capital assets fund (Note 5)	338	854
	562,140	536,513
Externally restricted		
Restricted cash	129,114	116,209

7. DONATIONS IN-KIND

During the year and in the prior year, the Foundation received shares of publicly traded companies. These donations in-kind were valued at fair market value based on the price of the shares at the date of transfer and sold shortly after. Total revenue of \$21,421 (2024 - \$15,498) from these donations was included in donations in-kind revenue and a gain on sale of \$Nil (2024 - \$86) was reported in investment income.

8. COMMITMENT

The Foundation entered into an agreement for the lease of office space in Rwanda expiring in March 2031. The rent expense of \$82,938 (2024 - \$43,860) is included in the international operations program costs in the statement of operations. The anticipated minimum lease payments over the next five years are as follows:

2026	\$ 30,112
2027	14,931
2028	14,931
2029	14,931
2030	14,931
Thereafter	3,733
	<u>\$ 93,569</u>

THE WELLSRING FOUNDATION FOR EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

9. SALARIES AND BENEFITS

In accordance with the British Columbia Societies Act, the Foundation is required to provide the total remuneration, if any, paid by the Foundation to the directors in the period, and the remuneration paid by the Foundation to employees of the Foundation and to persons under a contract for services with the Foundation, whose remuneration was at least \$75,000.

Included within programs expense, fundraising expense and administration expense are salaries and benefits for one individual that earned over \$75,000, for a total of \$102,977 (2024 - two individuals that earned over \$75,000, for a total of \$175,387). During fiscal 2025 and 2024, no person under a contract earned over \$75,000. No directors were compensated in fiscal 2025 and 2024.

10. ALLOCATION OF ADMINISTRATION COSTS

The Foundation allocates costs not directly attributable to a fund based upon an estimate of time spent for each fund.

11. INTERFUND TRANSFERS

During the year, \$97,991 (2024 - \$65,906) was transferred from the restricted fund to the operating fund. This included internally restricted cash transfers to assist in funding general operations of the Foundation. Transfers between the funds are made annually with approval of the Board. The interfund transfers are recorded in the statement of changes in fund balances.