

Financial Statements of

# **KARIS GLOBAL PARTNERSHIPS**

And Independent Auditor's Report thereon

Year ended March 31, 2025



**KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Karis Global Partnerships

### ***Opinion***

We have audited the financial statements of Karis Global Partnerships (the "Organization"), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and its results of operations, its changes in fund balances and its 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our Auditor's report.

We are independent of the Organization in accordance with the 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 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.

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 the 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.



Page 3

- 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's 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

June 24, 2025

# KARIS GLOBAL PARTNERSHIPS

## Statement of Financial Position

March 31, 2025, with comparative information for 2024

|                         | Operating  | Capital | Restricted | 2025<br>Total | 2024<br>Total |
|-------------------------|------------|---------|------------|---------------|---------------|
| <b>Assets</b>           |            |         |            |               |               |
| Current assets:         |            |         |            |               |               |
| Cash                    | \$ 852,205 | \$ —    | \$ —       | \$ 852,205    | \$ 976,049    |
| Accounts receivable     | 53,839     | —       | —          | 53,839        | 25,977        |
| Prepaid expenses        | 6,810      | —       | —          | 6,810         | 6,126         |
|                         | 912,854    | —       | —          | 912,854       | 1,008,152     |
| Capital assets (note 2) | —          | —       | —          | —             | —             |
|                         | \$ 912,854 | \$ —    | \$ —       | \$ 912,854    | \$ 1,008,152  |

## Liabilities and Fund Balances

|                                                      |            |      |           |            |              |
|------------------------------------------------------|------------|------|-----------|------------|--------------|
| Current liabilities:                                 |            |      |           |            |              |
| Accounts payable and<br>accrued liabilities (note 3) | \$ 20,228  | \$ — | \$ —      | \$ 20,228  | \$ 39,396    |
| Interfund payable (receivable)                       | 134,111    | —    | (134,111) | —          | —            |
|                                                      | 154,339    | —    | (134,111) | 20,228     | 39,396       |
| Fund balances                                        | 758,515    | —    | 134,111   | 892,626    | 968,756      |
|                                                      | \$ 912,854 | \$ — | \$ —      | \$ 912,854 | \$ 1,008,152 |

See accompanying notes to financial statements.

Approved on Behalf of the Board

 Director

 Director

# KARIS GLOBAL PARTNERSHIPS

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

|                                     | Operating  | Capital | Restricted | 2025<br>Total | 2024<br>Total |
|-------------------------------------|------------|---------|------------|---------------|---------------|
| Revenue:                            |            |         |            |               |               |
| Donations                           | \$ 747,980 | \$ —    | \$ 61,385  | \$ 809,365    | \$ 812,119    |
| Grants                              | 50,000     | —       | 140,000    | 190,000       | 93,000        |
| Other income                        | 43,311     | —       | —          | 43,311        | 48,485        |
| Transfers                           | 19,248     | —       | (19,248)   | —             | —             |
|                                     | 860,539    | —       | 182,137    | 1,042,676     | 953,604       |
| Expenses:                           |            |         |            |               |               |
| International services              | 445,244    | —       | 208,549    | 653,793       | 615,986       |
| Salaries and benefits               | 317,638    | —       | —          | 317,638       | 239,306       |
| Management fees                     | 28,100     | —       | —          | 28,100        | 62,567        |
| Supplies and miscellaneous          | 22,772     | —       | —          | 22,772        | 29,882        |
| Travel                              | 20,496     | —       | —          | 20,496        | 58,224        |
| Interest and bank charges           | 20,148     | —       | —          | 20,148        | 22,001        |
| Professional fees                   | 18,572     | —       | —          | 18,572        | 18,614        |
| Rent and utilities                  | 14,068     | —       | —          | 14,068        | 13,839        |
| Contracted services                 | 12,247     | —       | —          | 12,247        | 43,960        |
| Insurance                           | 10,972     | —       | —          | 10,972        | 10,319        |
| Amortization                        | —          | —       | —          | —             | 6,881         |
|                                     | 910,257    | —       | 208,549    | 1,118,806     | 1,121,579     |
| Deficiency of revenue over expenses | (49,718)   | —       | (26,412)   | (76,130)      | (167,975)     |
| Fund balances, beginning of year    | 808,233    | —       | 160,523    | 968,756       | 1,136,731     |
| Fund balances, end of year          | \$ 758,515 | \$ —    | \$ 134,111 | \$ 892,626    | \$ 968,756    |

See accompanying notes to financial statements.

# KARIS GLOBAL PARTNERSHIPS

## Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

|                                                       | 2025        | 2024         |
|-------------------------------------------------------|-------------|--------------|
| Cash provided by (used in):                           |             |              |
| Operations:                                           |             |              |
| Deficiency of revenue over expenses                   | \$ (76,130) | \$ (167,975) |
| Item not involving cash:                              |             |              |
| Amortization of capital assets                        | —           | 6,881        |
| Change in non-cash operating working capital (note 7) | (47,714)    | 21,041       |
| Decrease in cash                                      | (123,844)   | (140,053)    |
| Cash, beginning of year                               | 976,049     | 1,116,102    |
| Cash, end of year                                     | \$ 852,205  | \$ 976,049   |

See accompanying notes to financial statements.

# KARIS GLOBAL PARTNERSHIPS

## Notes to Financial Statements

Year ended March 31, 2025

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Karis Global Partnerships (the "Organization") is a non-profit faith-based charitable organization founded in 1990 which seeks to respond to the needs of children and adults at risk in countries throughout the world. The Organization is incorporated under the Canada Not-For-Profit Corporations Act without share capital. The Organization is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

### 1. Significant accounting policies:

These financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Handbook Part III - Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

#### (a) Fund accounting:

The operating fund reflects the unrestricted donations contributed to the Organization, which have not been specifically designated.

The capital fund reflects the assets, liabilities, revenue and expenses related to the capital assets.

The restricted fund represents funds received by the Organization that have been designated for specific projects.

#### (b) Revenue recognition:

The Organization uses the restricted fund method for recording restricted contributions. Unrestricted contributions are recorded as revenue in the operating fund in the year received or receivable. Restricted contributions are recognized as revenue of the related restricted fund when received or receivable. Contributions are recognized in the respective fund if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### (c) Capital assets:

Capital assets are recorded at cost. Amortization is provided in the accounts using the following method and annual rates:

| Asset     | Basis         | Rate |
|-----------|---------------|------|
| Buildings | Straight-line | 6.7% |
| Vehicles  | Straight-line | 20%  |

# KARIS GLOBAL PARTNERSHIPS

Notes to Financial Statements, continued

Year ended March 31, 2025

## 1. Significant accounting policies (continued):

### (d) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, accounts payable and accrued liabilities, and valuation allowances for receivables. Actual results could differ from those estimates.

### (e) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

### (f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

## 2. Capital assets:

|           | Cost       | Accumulated<br>amortization | 2025<br>Net book<br>value | 2024<br>Net book<br>value |
|-----------|------------|-----------------------------|---------------------------|---------------------------|
| Buildings | \$ 74,506  | \$ 74,506                   | \$ —                      | \$ —                      |
| Vehicles  | 27,883     | 27,883                      | —                         | —                         |
|           | \$ 102,389 | \$ 102,389                  | \$ —                      | \$ —                      |

## Notes to Financial Statements, continued

### 3. Accounts payable and accrued liabilities:

#### 4. Interfund transfer:

**5. Karis Global Partnerships controlled organization:**

A financial summary of controlled organization as at March 31, 2025 and for the year then ended, with comparative information for 2024, is as follows:

The controlled organization's basis of accounting is the modified cash basis of accounting (cash is recorded when received and expenditures are recorded when paid, except for certain statutory receivables and payables).

# KARIS GLOBAL PARTNERSHIPS

Notes to Financial Statements, continued

Year ended March 31, 2025

## 6. Financial risks:

### (a) Interest rate risk:

The Organization does not have a significant exposure to general interest rate fluctuations.

### (b) Credit risk:

The Organization does not have a significant exposure to any individual customer or counterparty. No allowance for impairment of receivables has been recorded at March 31, 2025 and 2024.

### (c) Market risk:

The Organization believes that it is not exposed to significant market risk arising from its financial instruments.

## 7. Change in non-cash working capital items:

The change in non-cash operating working capital items is comprised of the following:

|                                             | 2025        | 2024       |
|---------------------------------------------|-------------|------------|
| Decrease (increase) in current assets:      |             |            |
| Accounts receivable                         | \$ (27,862) | \$ (1,987) |
| Prepaid expenses                            | (684)       | 5,400      |
|                                             | (28,546)    | 3,413      |
| Increase (decrease) in current liabilities: |             |            |
| Accounts payable and accrued liabilities    | (19,168)    | 17,628     |
|                                             | \$ (47,714) | \$ 21,041  |

## 8. Related party transactions:

### (a) Karis Disability Services:

Karis Disability Services is an independent organization that works with people who experience disabilities through residential and ancillary programs. Karis Disability Services is incorporated under the Ontario Not-for-Profit Corporations Act, 2010 as a non-profit organization without share capital, is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

Karis Disability Services and the Organization are related parties as the Board of Directors of Karis Disability Services is also the Board of Directors of the Organization.

# KARIS GLOBAL PARTNERSHIPS

Notes to Financial Statements, continued

Year ended March 31, 2025

## 8. Related party transactions (continued):

### (a) Karis Disability Services (continued):

The following transactions occurred in the year ended March 31:

|                                                | 2025      | 2024      |
|------------------------------------------------|-----------|-----------|
| Shared services from Karis Disability Services | \$ 15,112 | \$ 49,500 |

### (b) Karis Community Initiatives:

Karis Community Initiatives is an independent organization that works with people who experience disabilities through residential and ancillary programs. Karis Community Initiatives is incorporated under the laws of the Canada Not-for-Profit Corporation Act as a non-profit organization without share capital, is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

Karis Community Initiatives and the Organization are related parties as the Board of Directors of Karis Community Initiatives is also the Board of Directors of the Organization.

The following transactions occurred in the year ended March 31:

|                                                        | 2025      | 2024      |
|--------------------------------------------------------|-----------|-----------|
| Management fees paid to Karis Community Initiatives    | \$ 12,988 | \$ 13,067 |
| Donations transferred from Karis Community Initiatives | 230,175   | 192,759   |

### (c) Karis Disability Services Foundation:

Karis Disability Services Foundation is an independent organization that provides funding to support individuals with developmental disabilities, through the Karis Group of charities, including Karis Global Partnerships. Karis Disability Services Foundation is incorporated under the laws of Canada as a public charitable foundation. Karis Disability Services Foundation is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

The Organization and Karis Disability Services Foundation are related parties due to common Board members and Officers.

The following transactions occurred in the year ended March 31:

|                                                         | 2025       | 2024      |
|---------------------------------------------------------|------------|-----------|
| Grants provided by Karis Disability Services Foundation | \$ 140,000 | \$ 93,000 |

## 9. Comparative information:

Certain of the prior year comparative information on the statement of operations has been reclassified to conform to the current year presentation.