Financial Statements of

KARIS GLOBAL PARTNERSHIPS

And Independent Auditor’s Report thereon

Year ended March 31, 2026

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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, 2026
- 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, 2026, and its results of operations 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 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.

- 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

July 29, 2026

KARIS GLOBAL PARTNERSHIPS

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	Operating	Capital	Restricted	2026 Total	2025 Total
Assets					
Current assets:					
Cash	$ 646,822	$ –	$ –	$ 646,822	$ 852,205
Accounts receivable	24,233	–	–	24,233	53,839
Prepaid expenses	7,471	–	–	7,471	6,810
	$ 678,526	$ –	$ –	$ 678,526	$ 912,854
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities (note 3)	$ 32,939	$ –	$ –	$ 32,939	$ 20,228
Interfund payable (receivable)	91,340	–	(91,340)	–	–
	124,279	–	(91,340)	32,939	20,228
Fund balances	554,247	–	91,340	645,587	892,626
	$ 678,526	$ –	$ –	$ 678,526	$ 912,854

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, 2026, with comparative information for 2025

	Operating	Capital	Restricted	2026 Total	2025 Total
Revenue:					
Donations	$ 712,148	$ –	$ 41,175	$ 753,323	$ 809,365
Grants	50,000	–	131,500	181,500	190,000
Other income	20,754	–	–	20,754	43,311
	782,902	–	172,675	955,577	1,042,676
Expenses:					
International services	424,070	–	256,036	680,106	653,793
Salaries and benefits	369,983	–	–	369,983	317,638
Supplies and miscellaneous	28,258	–	–	28,258	22,772
Interest and bank charges	23,200	–	–	23,200	20,148
Professional fees	22,041	–	–	22,041	18,572
Management fees	21,120	–	–	21,120	28,100
Travel	15,557	–	–	15,557	20,496
Contracted services	15,450	–	–	15,450	12,247
Rent and utilities	14,211	–	–	14,211	14,068
Insurance	12,690	–	–	12,690	10,972
	946,580	–	256,036	1,202,616	1,118,806
Deficiency of revenue over expenses	(163,678)	–	(83,361)	(247,039)	(76,130)
Fund balances, beginning of year	758,515	–	134,111	892,626	968,756
Balance transfers (note 4)	(40,590)	–	40,590	–	–
Fund balances, end of year	$ 554,247	$ –	$ 91,340	$ 645,587	$ 892,626

See accompanying notes to financial statements.

KARIS GLOBAL PARTNERSHIPS

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	$ (247,039)	$ (76,130)
Change in non-cash operating working capital (note 6)	41,656	(47,714)
Decrease in cash	(205,383)	(123,844)
Cash, beginning of year	852,205	976,049
Cash, end of year	$ 646,822	$ 852,205

See accompanying notes to financial statements.

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. 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) Basis of presentation:

The financial statements do not include the accounts of the following related parties who share the same Board of Directors:

- Karis Disability Services
- Karis Community Initiatives
- Karis Worldwide

The financial information of these entities is reported separately from the Organization.

These financial statements do not include the assets, liabilities and results of operations of a controlled organization in Guatemala. The Organization has chosen not to consolidate the results and has instead chosen to disclose summarized information in note 5.

(b) 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 (externally restricted) for specific projects.

1. Significant accounting policies (continued):

(c) Revenue recognition:

The Organization uses the restricted fund method for recording restricted contributions, being donations and grants.

Unrestricted contributions are recorded as revenue in the Operating Fund in the year received or can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the Restricted Fund when received or can be reasonably estimated and collection is reasonably assured.

Other income is recognized when services are performed and can be reasonably estimated and collection is reasonably assured.

(d) 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	20.0%

(e) 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 accounts payable and accrued liabilities, and valuation allowances for receivables. Actual results could differ from those estimates.

(f) 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.

1. Significant accounting policies (continued):

(g) Financial instruments:

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument:

Financial Instrument	Measurement Method
Cash	Cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost.

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.

(h) Cloud computing arrangements:

The Organization recognizes the expenditures in the cloud computing arrangements as a supply of services. As such, the Organization recognizes the costs related to the elements in the arrangement as an expense as incurred.

The Organization had no software licensing and subscription costs in 2026 (2025 - $nil).

1. Significant accounting policies (continued):

(i) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

2. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	$ 74,506	$ 74,506	$ –	$ –
Vehicles	27,883	27,883	–	–
	$ 102,389	$ 102,389	$ –	$ –

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $532 (2025 - $492), which includes amounts payable for payroll related taxes.

4. Interfund transfer:

During the year, the Board of Directors approved a transfer of $40,590 from the Operating Fund to the Restricted Fund to fund specific international projects.

5. Karis Global Partnerships controlled organization:

The controlled organization in Guatemala has not been consolidated in the Organization's financial statements.

A financial summary of controlled organization as at March 31, 2026 and for the year then ended, with comparative information for 2025, is as follows:

		2026		2025
Assets:				
Current assets	$	3,034	$	2,043
Liabilities and fund balance:				
Current liabilities	$	–	$	–
Fund balance		3,034		2,043
	$	3,034	$	2,043

		2026		2025
Operations:				
Revenue	$	119,191	$	135,669
Expenses		118,207		136,928
Excess (deficiency) of revenue over expenses	$	984	$	(1,259)

		2026		2025
Cash flows:				
Cash provided by operating activities	$	991	$	554

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).

6. Change in non-cash working capital items:

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

	2026	2025
Decrease (increase) in current assets:		
Accounts receivable	$ 29,606	$ (27,862)
Prepaid expenses	(661)	(684)
	28,945	(28,546)
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	12,711	(19,168)
	$ 41,656	$ (47,714)

7. 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, 2026 and 2025.

(c) Market risk:

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

(d) Liquidity risk:

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities.

(e) Concentration risk:

The Organization is exposed to concentration risk arising from the fact that a significant portion of its grants and donations is received from Karis Community Initiatives.

8. Related party transactions:

Related party transactions between the organizations are at carrying amounts.

(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, 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.

The following transactions occurred in the year ended March 31:

	2026	2025
Shared services from Karis Disability Services	$ 7,954	$ 15,112
Accounts receivable from Karis Disability Services	2,532	–

(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 Corporations Act, 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.

Karis Disability Services Foundation amalgamated with Karis Community Initiatives on January 1, 2026. The comparative information for related party transactions below has been updated to reflect the amalgamated organization transactions with the Organization.

The following transactions occurred in the year ended March 31:

	2026	2025
Management fees paid to Karis Community Initiatives	$ 9,875	$ 12,988
Donations transferred from Karis Community Initiatives	240,480	230,175
Grants provided from Karis Community Initiatives (formerly Karis Disability Services Foundation)	131,500	140,000
Accounts receivable from Karis Community Initiatives	44	–

8. Related party transactions (continued):

(c) Karis Worldwide:

Karis Worldwide is an independent organization that seeks to imitate the work of Jesus Christ by serving those in need by assisting other Canadian registered charities that minister to the physical, social, mental, and spiritual needs of the developmentally or mentally disabled person. Karis Worldwide provides governance oversight to charities in the Karis group include Karis Disability Services, Karis Community Initiatives, and Karis Global Partnerships.

Karis Worldwide is incorporated under the laws of the Ontario Not-for-Profit Corporations Act, is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

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

	2026	2025
Management fees paid to Karis Worldwide	$ 3,291	$ –
Accounts receivable from Karis Worldwide	35	–

Effective January 1, 2026, leadership operations formerly part of Karis Community Initiatives were transferred to Karis Worldwide, impacting management fees charged during the fiscal year. These fees are now paid to Karis Worldwide effective January 1, 2026.

9. Economic interest:

Christian Horizons Inc. is an independent organization incorporated as a non-profit, tax-exempt organization under the United States Internal Revenue Code and provides summer camp opportunities for people with developmental disabilities.

During the year, Christian Horizons Inc. provided donations of $83,789 (2025 - $110,714) to the Organization to fund international services through the Organization's child sponsorship program.