KUWALA CHRISTIAN GIRLS SCHOOL INC.

WINNIPEG, MB

DECEMBER 31, 2025

KUWALA CHRISTIAN GIRLS SCHOOL INC.

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Independent Auditors' Report

To the Directors of;
Kuwala Christian Girls School Inc.

Opinion

We have audited the accompanying financial statements of Kuwala Christian Girls School Inc., which comprise the balance sheet as at December 31, 2025, and the statements of revenue and expenditure , changes in net assets 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 Kuwala Christian Girls School Inc. as at December 31, 2025, 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.

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 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 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.

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 Kuwala Christian Girls School Inc.'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 Kuwala Christian Girls School Inc.'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 Kuwala Christian Girls School Inc. 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.

June 15, 2026
Winnipeg, Manitoba

Adeptus Advisory Group
Chartered Professional Accountants Inc.

KUWALA CHRISTIAN GIRLS SCHOOL INC.

BALANCE SHEET

AS AT DECEMBER 31

	General	Operating fund	Capital fund	2025	2024
	$	$	$	$	$
Assets					
Current Assets					
Cash	650,962	31,332	50,317	732,611	378,468
Accounts receivable	21,482	-	-	21,482	507
Prepaid expenses	2,062	-	-	2,062	5,057
	674,506	31,332	50,317	756,155	384,032

Approved on Behalf of the Board

_____ Director

Susan Wiegner Director

The accompanying notes are an integral part of these financial statements

KUWALA CHRISTIAN GIRLS SCHOOL INC.

BALANCE SHEET

AS AT DECEMBER 31

	General	Operating fund	Capital fund	2025	2024
	$	$	$	$	$
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	27,005	-	-	27,005	7,875
Net Assets					
Net assets	647,501	31,332	50,317	729,150	376,157
	674,506	31,332	50,317	756,155	384,032

The accompanying notes are an integral part of these financial statements

KUWALA CHRISTIAN GIRLS SCHOOL INC.

STATEMENT OF REVENUE AND EXPENDITURE

Year Ended December 31

	General	Operating fund	Capital fund	2025	2024
	$	$	$	$	$
Revenue					
Donations	1,033,667	339,620	57,328	1,430,615	794,191
Other income	-	2,878	4,666	7,544	3,530
	1,033,667	342,498	61,994	1,438,159	797,721
Expenditure					
Administration/Office/General	4,269	47,682	-	51,951	28,647
Bank charges	189	6,176	2	6,367	4,500
Communication	3,496	-	-	3,496	4,446
Construction	-	27,888	329,130	357,018	239,212
Farm supplies	-	45,075	-	45,075	17,558
Fundraising	4,538	4	-	4,542	2,025
Capital related purchases	-	-	5,023	5,023	96,808
Insurance	2,092	4,292	-	6,384	3,935
Meals	-	99,391	-	99,391	48,012
Miscellaneous	-	1,317	961	2,278	-
Professional fees	35,814	30,578	-	66,392	54,773
Registration	-	1,778	-	1,778	478
Repairs and maintenance	-	57,983	837	58,820	32,075
Salaries and benefits	-	211,494	394	211,888	114,485
Student supplies and sundry	-	80,946	-	80,946	90,078
Travel	15,209	-	-	15,209	8,153
Utilities	-	11,117	-	11,117	5,880
Vehicle maintenance and other	-	40,711	-	40,711	15,368
Workshop grant costs	-	-	-	-	4,900
	65,607	666,432	336,347	1,068,386	771,333
Operating income (loss)	968,060	(323,934)	(274,353)	369,773	26,388
Other items					
Foreign exchange loss	(16,780)	-	-	(16,780)	(1,721)

The accompanying notes are an integral part of these financial statements

KUWALA CHRISTIAN GIRLS SCHOOL INC.

STATEMENT OF REVENUE AND EXPENDITURE

Year Ended December 31

	General	Operating fund	Capital fund	2025	2024
	$	$	$	$	$
Excess (deficiency) of revenue over expenditure	951,280	(323,934)	(274,353)	352,993	24,667

The accompanying notes are an integral part of these financial statements

KUWALA CHRISTIAN GIRLS SCHOOL INC.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31				
	General	Operating fund	Capital fund	2025 Total	2024 Total
	$	$	$	$	$
Balance, beginning of year	310,755	40,382	25,020	376,157	351,490
Excess (deficiency) of revenue over expenditure	951,280	(323,934)	(274,353)	352,993	24,667
Interfund transfer	(614,534)	314,884	299,650	-	-
Balance, end of year	647,501	31,332	50,317	729,150	376,157

The accompanying notes are an integral part of these financial statements

KUWALA CHRISTIAN GIRLS SCHOOL INC.

STATEMENT OF CASH FLOWS

	Year Ended December 31	
	2025	2024
	$	$
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenditure for the year	352,993	24,667
Net changes in non-cash working capital affecting operations *(note 8)*	1,150	23,174
	354,143	47,841
Increase in cash resources	354,143	47,841
Cash resources, beginning of Year	378,468	330,627
Cash resources, end of Year	732,611	378,468

The accompanying notes are an integral part of these financial statements

1. **Purpose of Organization**

Kuwala Christian Girls School Inc. was incorporated on August 9, 2010 under the Manitoba Corporations Act Effective January 1, 2021, the Canada Revenue Agency changed the Organizations designation from a Private Foundation to a Registered Charity. The Organization is exempt from paying income tax under paragraph 149 (1) of the Income Tax Act as a charitable organization.

The purpose of the Organization is to provide financial support to educational and religious based registered charities in Malawi, Africa. Since 2017, the Organization has been supporting the Kuwala Christian Girls Secondary School in Malawi with the goal of empowering girls through Christian-based, meaningful education to equip them for success and strengthen their communities for the present and future generations.

2. **Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the organization.

a) **Revenue Recognition**

Unrestricted contributions, including donations and grants, related to general operations are recognized as revenue in the operating fund in the year received or receivable if the amount to be received as revenue can be reasonable estimated and collection is assured.

Restricted contributions, including donations and grants, are recognized as revenue of the appropriate restricted fund in the year in which the funds are received or receivable if the amount to be received as revenue can be reasonable estimated and collection is assured

b) **Use of Estimates**

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the organization makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

c) **Financial Instruments**

Initial and subsequent measurement
The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, trade and other accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, wages payable and long-term debt reported as financial liabilities.

Foreign currency transactions:

Monetary assets, liabilities, revenue and expense items denominated in foreign currencies are translated into Canadian dollars at rates of exchange prevailing on the following dates: monetary assets and liabilities as at the year end date and revenue and expenses at the transaction date. Translation gains and losses are recorded in statement of operations.

d) **Contributed materials and services**

Contributions of materials are recognized at fair market value only to the extent that they would normally bepurchased and the fair value can be reasonably estimated.

Volunteers contribute a significant number of hours per year to assist the organization in carrying out itsoperations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

e) **Fund Accounting**

The Organization follows the restricted fund method of accounting for contributions. The actives carried out by fund are as follows:

General fund
The general fund includes the activities of the Organizations general administration.

Operating fund
The operating fund includes the activities of operating the school in Malawi, including sponsorship income for individual girls attending the school.

Capital fund
The capital fund includes the revenues designated for school construction and related expenditures for the construction of the school facilities in Malawi.

f) **Tangible capital assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost is determined by the initial purchase price. Tangible capital assets are amortized over their estimated useful lives at applicable rates. The Organization has no tangible capital asset purchases to report in the current or prior years.

3. **Restricted Capital Funds**

The Organization has restricted funds for future capital projects. The current year restricted capital fund balance is comprised of funds designated for basketball courts and equipment.

4. **Financial Instruments**

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit, interest rate, liquidity, or market (other price) risks arising from these financial instruments.

The Organizaiton has currency risk with changes in the Malawian Kwacha and the US dollar exchange rates; they maintain minimal balances in these foreign currencies to mitigate the risk.

5. **Commitments**

The Organization has entered into a Memorandum of Understanding (MOU) with Kuwala Christian Girls Secondary School in Malawi, Africa. The MOU sets out the terms of services provided, financial stewardship required, indemnification of the local Organization, and other general provisions. Termination of the agreement by either party, requires 180 days notice.

6. **Economic Dependence**

The Organization receives a significant portion of its donations from a two individual donors. The Organization is dependent on the continued support of these donors to sustain its operations. Without this funding, the Organization may not be able to continue its programs and operations in their current form.

7. **Related Party Transactions**

During the year, the Organization received donations of $684,000 (2024 – $150,000) from 4K Foundations Inc., an entity on whose board both the Assistant Treasurer and the President of the Organization serve. These amounts are included in charitable donations in the statement of operations.

These transactions occurred in the normal course of operations and are measured at the exchange amount, which represents the consideration established and agreed upon by the related parties.

8. **Cash Flow Statement**

	2025	2024
	$	$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(20,975)	21,766
Prepaid expenses	2,995	1,033
Accounts payable and accrued liabilities	19,130	375
	1,150	23,174



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ADVISORY GROUP

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