Financial Statements of

KARIS DISABILITY SERVICES

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 Disability Services

Opinion

We have audited the financial statements of Karis Disability Services (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 DISABILITY SERVICES

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	Government			2026	2025
	Operating	Capital	Restricted	Total	Total
Assets					
Current assets:					
Cash	$ 12,522,586	$ 813,234	$ 461,751	$ 13,797,571	$ 17,580,574
Investments (note 2)	7,493,130	–	1,066,825	8,559,955	7,190,620
Subsidies receivable	346,203	–	–	346,203	–
Accounts receivable	3,069,200	–	–	3,069,200	3,500,233
Prepaid expenses	175,875	–	–	175,875	156,832
	23,606,994	813,234	1,528,576	25,948,804	28,428,259
Capital assets (notes 3)	–	36,152,282	–	36,152,282	38,290,688
	$ 23,606,994	$ 36,965,516	$ 1,528,576	$ 62,101,086	$ 66,718,947
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities (note 4)	$ 17,137,468	$ –	$ –	$ 17,137,468	$ 20,011,789
Subsidies payable	–	–	–	–	1,003,031
Interfund payable (receivable)	945,737	(340,889)	(604,848)	–	–
Deferred revenue (note 5)	1,915,837	–	–	1,915,837	1,514,011
Current portion of long-term debt (note 7)	–	294,286	–	294,286	362,967
	19,999,042	(46,603)	(604,848)	19,347,591	22,891,798
Long-term debt (note 7)	–	2,808,876	–	2,808,876	3,082,538
	19,999,042	2,762,273	(604,848)	22,156,467	25,974,336
Fund balances	3,607,952	34,203,243	2,133,424	39,944,619	40,744,611
Commitments and contingencies (note 9)					
	$ 23,606,994	$ 36,965,516	$ 1,528,576	$ 62,101,086	$ 66,718,947

See accompanying notes to financial statements.

Approved on Behalf of the Board

Director

Director

KARIS DISABILITY SERVICES

Statement of Operations and Changes in Fund Balances

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

	Government			2026	2025
	Operating	Capital	Restricted	Total	Total
Revenue:					
Provincial subsidy	$ 206,957,950	$ –	$ –	$206,957,950	$ 202,840,811
Residents	14,407,974	–	–	14,407,974	13,900,975
Third party funding	9,269,130	–	–	9,269,130	8,632,619
Miscellaneous revenue (note 10)	1,097,656	301,120	12,487	1,411,263	1,808,366
Gain on disposal of capital assets (note 3)	–	696,379	–	696,379	–
Transfers	(3,673,825)	3,597,777	76,048	–	–
	228,058,885	4,595,276	88,535	232,742,696	227,182,771
Expenses:					
Salaries	156,791,457	–	–	156,791,457	151,534,786
Benefits	31,256,458	–	–	31,256,458	27,787,470
Purchased services	7,999,396	–	–	7,999,396	9,358,353
Premises rental	6,830,699	–	–	6,830,699	6,596,052
Amortization	–	5,468,075	–	5,468,075	6,125,565
Repairs and maintenance	3,754,800	–	86,622	3,841,422	4,477,883
Supplies and miscellaneous	3,532,483	–	–	3,532,483	3,799,323
Food	3,498,618	–	–	3,498,618	3,375,637
Utilities and taxes	3,498,988	–	–	3,498,988	3,344,426
Personal needs	2,952,669	–	–	2,952,669	2,868,061
Vehicles	2,410,350	–	–	2,410,350	2,328,271
Management fee	2,226,047	–	–	2,226,047	2,111,728
Insurance	1,985,595	–	–	1,985,595	1,891,669
Travel	1,321,325	–	–	1,321,325	1,477,882
Interest on long-term debt	–	173,776	–	173,776	130,747
Loss on disposal of capital assets (note 3)	–	–	–	–	70,115
Gifts to Karis Community Initiatives (note 12(a))	–	460,968	–	460,968	–
	228,058,885	6,102,819	86,622	234,248,326	227,277,968
Excess (deficiency) of revenue over expenses before the undernoted	–	(1,507,543)	1,913	(1,505,630)	(95,197)
Change in fair value of investments	605,413	–	100,225	705,638	494,433
Excess (deficiency) of revenue over expenses	605,413	(1,507,543)	102,138	(799,992)	399,236
Fund balances, beginning of year	3,002,539	35,710,786	2,031,286	40,744,611	40,345,375
Fund balances, end of year	$ 3,607,952	$ 34,203,243	$ 2,133,424	$ 39,944,619	$ 40,744,611

See accompanying notes to financial statements.

KARIS DISABILITY SERVICES

Statement of Cash Flows

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

	2026	2025
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	$ (799,992)	$ 399,236
Items not involving cash:		
Change in fair value of investments	(705,638)	(494,433)
Amortization of capital assets	5,468,075	6,125,565
Loss (gain) on disposal of capital assets	(696,379)	70,115
Change in non-cash operating working capital (note 11)	(3,409,739)	5,134,576
	(143,673)	11,235,059
Financing:		
Repayment of long-term debt	(342,343)	(2,149,955)
Advance of long-term debt	–	1,894,458
	(342,343)	(255,497)
Investing:		
Purchase of capital assets	(3,438,273)	(5,689,348)
Proceeds on disposal of capital assets	804,983	816,318
Ministry recovery of capital asset disposal proceeds	–	(812,128)
Purchase of investments	(2,083,733)	(1,449,649)
Sale of investments	1,420,036	1,686,964
	(3,296,987)	(5,447,843)
Increase (decrease) in cash	(3,783,003)	5,531,719
Cash, beginning of year	17,580,574	12,048,855
Cash, end of year	$ 13,797,571	$ 17,580,574

See accompanying notes to financial statements.

KARIS DISABILITY SERVICES

Notes to Financial Statements

Year ended March 31, 2026

Karis Disability Services (the "Organization") is a non-profit faith-based charitable organization founded in 1965. The Organization works with people who experience disabilities through residential and ancillary programs which are funded primarily through contracts with provincial governments. The Organization 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.

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 Global Partnerships
- Karis Community Initiatives
- Karis Worldwide

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

(b) Fund accounting:

The Organization follows the restricted fund method of accounting for contributions using the following funds:

The government operating fund represents funds received under contractual arrangements with the Province of Ontario and the Province of Saskatchewan for the purpose of supporting people who experience disabilities.

The government capital fund reflects the assets, liabilities, revenue and expenses related to the capital assets acquired under capital contracts or other receipts from the Province of Ontario and the Province of Saskatchewan.

The restricted fund represents the assets, liabilities, revenue and expenses related to both internally and externally restricted activities.

1. Significant accounting policies (continued):

(c) Revenue recognition:

Provincial subsidy is recognized as revenue of the appropriate fund as costs are incurred. Any surplus is recorded as subsidy payable on the statement of financial position, or as an excess of revenue over expenses and transferred to the restricted fund. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Operating funding from the Province of Ontario and the Province of Saskatchewan that is used for minor capital is recognized first in the operating fund and then shown as a transfer from the operating fund to the capital fund.

Third party funding and resident revenue are recognized when the services are provided, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Miscellaneous revenue (other than interest and dividends) is recognized when the services are provided or the events have taken place, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest and dividend income is recognized as earned.

(d) Capital assets:

Capital assets are recorded at cost. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, the carrying amount is written down to the residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Rate
Buildings	5%
Vehicles, furniture and equipment	20%
Building and leasehold improvements	10%

(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) 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.

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
Subsidies receivable	Cost
Investments	Fair value
Accounts payable and accrued liabilities	Amortized cost
Subsidies payable	Cost
Long-term debt	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.

Included in purchased services is $1,458,266 (2025 - $1,569,637) of software licensing and subscription costs.

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. Investments:

	2026	2025
Fixed income	$ 2,527,927	$ 1,554,715
Equities - Canada	2,520,445	2,378,145
Equities - US	1,313,756	1,140,284
Equities - Global	932,932	714,535
Preferred shares	576,625	644,415
Other investments	688,270	758,526
	$ 8,559,955	$ 7,190,620

Fixed income investments have interest rates ranging from 1.10% to 5.592% (2025 - 1.51% to 5.59%) and maturity dates ranging from August 10, 2026 to December 10, 2033 (2025 - August 14, 2026 to December 10, 2031).

3. Capital assets:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Lands	$ 15,364,709	$ –	$ 15,364,709	$ 15,412,624
Buildings	53,831,561	48,050,409	5,781,152	6,831,967
Furniture, equipment and vehicles	10,768,201	8,823,975	1,944,226	2,310,366
Building and lease improvements	37,637,068	24,574,873	13,062,195	13,735,731
	$ 117,601,539	$ 81,449,257	$ 36,152,282	$ 38,290,688

The Organization disposed of properties with proceeds of $804,983 (2025 - $816,318) and net gain on disposals of $696,379 (2025 - loss on disposal $70,115).

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $1,940,047 (2025 - $1,842,755) which consist primarily of payroll-related taxes.

5. Deferred revenue:

Deferred revenue related to expenses of future periods represents unspent externally restricted grants and specific program funding.

	2026	2025
Deferred revenue, beginning of year	$ 1,514,011	$ 696,991
Contributions received	1,437,458	1,072,914
Revenue recognized in statement of operations	(732,337)	(105,455)
To be recovered by Province of Ontario	(303,295)	–
Recovered by Province of Saskatchewan	–	(150,439)
Deferred revenue, end of year	$ 1,915,837	$ 1,514,011

6. Asset restrictions:

By virtue of the agreements under which provincial funding is received, the Organization cannot alter or dispose of property acquired entirely or partially with provincial funds without approval from the appropriate Provincial Ministry. On the disposal of property, a portion of the provincial funding used to acquire the property may be repayable. For the Province of Ontario, no approval is required where the asset is moveable and has a residual value of less than $5,000.

7. Long-term debt:

	2026	2025
Secured by restricted assets (note 6)		
Funded by Provincial Ministries:		
Banking facility:		
6.058% mortgage, repayable in monthly payments of $2,280, including principal and interest, due on September 1, 2028, Hamilton II & IV	$ 63,370	$ 86,185
2.15% mortgage, repayable in monthly payments of $1,515, including principal and interest, due on February 1, 2026, York II	–	16,481
2.15% mortgage, repayable in monthly payments of $1,563, including principal and interest, due February 1, 2026, Simcoe V	–	17,005
1.40% mortgage, repayable in monthly payments of $1,301, including principal and interest, due March 1, 2026, Simcoe VI	–	15,496
Other lenders:		
1.40% mortgage, repayable in monthly payments of $2,050, including principal and interest, due on March 1, 2026, Toronto VIII	–	28,452
1.628% mortgage, repayable in monthly payments of $1,324 including principal and interest, due on April 1, 2026, Ottawa VI.	32,507	47,724
2.75% mortgage, repayable in monthly payments of $1,681, including principal and interest, due on April 1, 2027, Oxford II	95,665	112,970
4.61% mortgage, repayable in monthly payments of $3,474, including principal and interest, due on May 1, 2029, Durham IX	196,998	228,895
4.61% mortgage, repayable in monthly payments of $2,180, including principal and interest, due on May 1, 2029, Cobourg III	123,667	143,690
4.61% mortgage, repayable in monthly payments of $2,575, including principal and interest, due on May 1, 2029, Peterborough VI	154,039	177,328
4.61% mortgage, repayable in monthly payments of $2,692, including principal and interest, due on May 1, 2029, Peterborough VII	152,670	177,389
4.61% mortgage, repayable in monthly payments of $6,804, including principal and interest, due on May 1, 2029, Durham VII & VIII	401,696	463,457
2.42% mortgage, repayable in monthly payments of $1,773, including principal and interest, due on May 1, 2025, Peterborough V	–	44,859
Balance forward	1,220,612	1,559,931

7. Long-term debt (continued):

	2026	2025
Balance forward	$ 1,220,612	$ 1,559,931
Funded by Provincial Ministries:		
Other lenders (continued):		
5.25% mortgage, repayable in monthly payments of $1,824, including principal and interest, due on May 1, 2027, Peterborough V	24,716	–
Related party lender (Karis Community Initiatives):		
Demand loan, bearing interest at 6%, repayable in monthly payments of interest and principal $11,677, due October 30, 2029	1,857,834	1,885,574
Total	3,103,162	3,445,505
Less current portion of long-term debt	294,286	362,967
Long-term debt	$ 2,808,876	$ 3,082,538

The above mortgages are secured by the respective land and building, chattel mortgages and an assignment of fire insurance. The value of capital assets secured by land and buildings has a net book value of $2,574,326 (2025 - $2,517,289).

The demand loan is secured with a first ranking security on three properties held by the Organization in Saskatchewan and a second ranking security on one property in Saskatchewan. The value of capital assets secured by land and buildings has a net book value of $1,333,832 (2025 - $1,442,911).

Karis Community Initiatives has agreed that it will not demand payment the remaining balance of the loan, prior to April 1, 2027, therefore the loan payable of $1,857,834 (2025 - $1,885,574), has been classified as a long-term liability.

The aggregate amount of principal payments for long-term debt are as follows:

2027	$ 294,286
2028	2,112,718
2029	198,823
2030	497,335
	$ 3,103,162

8. Credit facility:

The Organization has access to various credit facilities with its lender. These include a $5,500,000 revolving demand operating facility and a $250,000 revolving demand facility for letters of credit, which are subject to a combined maximum borrowing limit of $5,500,000 at any time. In addition, the Organization has a $10,000,000 revolving term facility available by way of a series of term loans and a $250,000 lease line of credit.

This facility is secured by a general security agreement, and a first charge over real property and bears interest at bank prime plus up to 1.00%. Fees for letters of guarantee are provided on a transaction-by-transaction basis.

As at March 31, 2026, $nil (2025 - $nil) is drawn against the operating demand facility. At year end $10,000,000 (2025 - $10,000,000) under the aggregate borrowing facility is available for use.

As part of the Karis Community Initiatives (“KCI”) purchase of 20 & 26 Peppler St., Waterloo (leased head office of Karis Disability Services), the Organization provided a guarantee of $6,500,000 to KCI’s lender for the properties commencing March 31, 2019. The guarantee remains until the mortgage is fully repaid. In the event the KCI defaults on payments of the mortgage the Organization would be required to pay the guarantee if there is a deficiency between the mortgage less any proceeds of sale of the property.

9. Commitments and contingencies:

(a) Operating lease commitments:

The Organization is obligated under various contracts for the rental of vehicles, facilities, office equipment and cloud computing arrangements. The annual commitments under these contracts for the next five years are as follows:

	Vehicles facilities and office equipment	Cloud computing	Total
2027	$ 3,448,321	$ 453,240	$ 3,901,561
2028	2,544,915	270,603	2,815,518
2029	1,909,109	–	1,909,109
2030	1,191,950	–	1,191,950
2031	184,986	–	184,986
	$ 9,279,281	$ 723,843	$ 10,003,124

(b) Contingencies:

The nature of the Organization’s activities is such that there may be litigation pending or in process at any time. With respect to claims at March 31, 2026, management believes that the Organization has valid defenses and appropriate insurance coverage in place. In the event claims are successful, management believes that such claims are not expected to have a material effect on the Organization's financial position.

10. Miscellaneous revenue:

Miscellaneous revenue consists of the following:

	2026	2025
Interest income	$ 580,647	$ 988,375
Dividend income	181,956	179,522
Special needs funding	255,168	143,086
Other revenue	393,492	497,383
	$ 1,411,263	$ 1,808,366

11. Change in non-cash operating working capital:

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

	2026	2025
Decrease (increase) in current assets:		
Subsidies receivable	$ (1,349,234)	$ –
Accounts receivable	431,033	(163,291)
Prepaid expenses	(19,043)	204,656
	(937,244)	41,365
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	(2,874,321)	3,857,898
Subsidies payable	–	418,293
Deferred revenue	401,826	817,020
	(2,472,495)	5,093,211
	$ (3,409,739)	$ 5,134,576

12. Related party transactions:

Related party transactions between the organizations are at carrying amounts.

(a) 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 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.

Effective January 1, 2026, Karis Community Initiatives amalgamated with Karis Disability Services Foundation.

The following transactions occurred in the year ended March 31:

	2026	2025
Management fee paid to Karis Community Initiatives	$ 1,684,997	$ 2,111,728
Payment on properties held by Karis Community Initiatives	883,693	855,838
Loan advanced from Karis Community Initiatives	–	1,894,458
Loan principal and interest payments to Karis Community Initiatives	140,120	46,707
Gifts to Karis Community Initiatives	460,968	–
Accounts payable and accrued liabilities - Karis Community Initiatives	116,821	–

(b) Karis Global Partnerships:

Karis Global Partnerships is an independent organization that seeks to respond to the needs of children and adults at risk throughout the world. Karis Global Partnerships is incorporated under 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 Global Partnerships and the Organization are related parties as the Board of Directors of Karis Global Partnerships is also the Board of Directors of the Organization.

The following transactions occurred in the year ended March 31:

	2026	2025
Shared services paid by Karis Global Partnerships	$ 7,954	$ 15,112
Accounts payable and accrued liabilities - Karis Global Partnerships	2,532	–

12. 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 including Karis Disability Services, Karis Community Initiatives, and Karis Global Partnerships.

Karis Worldwide 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 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	$ 541,050	$ –
Accounts payable and accrued liabilities - Karis Worldwide	33,687	–

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.

13. Financial risks:

(a) Market risk:

Market price risk is the risk that a value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Organization believes that it is not exposed to significant market risk arising from its financial instruments due to mix of investment types designed to achieve optimal return with reasonable risk tolerances.

(b) Interest rate risk:

The Organization manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by the Board of Directors.

The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk while the floating-rate instruments subject it to a cash flow risk. Further details about the fixed rate investments are included in note 2 and the long-term debt are included in note 7.

13. Financial risks (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its long-term debt. This risk is reduced because of the investments held.

(d) Credit risk:

The Organization does not have a significant exposure to any individual customer or counterparty other than the Province of Ontario and the Province of Saskatchewan. No allowance for impairment of receivables has been recorded at March 31, 2026 and 2025.

The Organization is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Organization purchases investments in U.S. and foreign currency dollars. The Organization does not currently enter into forward contracts to mitigate this risk.

(e) Concentration risk:

The Organization is exposed to concentration of credit risk, as a significant portion of its funding is derived from the Ministry of Children, Community and Social Services (“MCCSS”). As a result, the Organization is dependent on the continued financial support of MCCSS.