JFJ HOPE CENTRE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

JFJ HOPE CENTRE

FOR THE YEAR ENDED MARCH 31, 2025

CONTENTS

Blumenfeld, Woznica & Co.
Chartered Professional Accountants

3300 Steeles Avenue West, Suite 201
Vaughan, Ontario L4K 2Y4

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of JFJ Hope Centre

Qualified Opinion

We have audited the financial statements of JFJ Hope Centre (the Organization), which comprise the statement of financial position as at March 31, 2025 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of JFJ Hope Centre as at March 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 Qualified Opinion

In common with many non-profit organizations, the Organization derives revenue from donations and other sources the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenditures, assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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 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 qualified 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.

Blumenfeld, Woznica & Co.
Chartered Professional Accountants

3300 Steeles Avenue West, Suite 201
Vaughan, Ontario L4K 2Y4

INDEPENDENT AUDITOR'S REPORT

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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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.

Blumenfeld Woznica + Co

Chartered Professional Accountants
Licensed Public Accountants
September 26, 2025
Vaughan, Ontario

JFJ HOPE CENTRE

Statement of Financial Position

As at March 31, 2025

	2025	2024
Assets		
Current		
Cash and cash equivalents - note 3	10,677	20,525
Short-term investments - note 4	121,137	115,178
PSB rebate receivable	6,639	6,366
Prepaid expenses	4,395	3,176
Total current assets	142,848	145,245
Capital assets - net - note 5	42,895	56,651
Total assets	185,743	201,896
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	28,088	42,103
Payroll remittances payable	6,114	10,945
Deferred grant income - note 6	41,496	-
Due to JFJ Hope Centre Adoption Services - note 7	49,707	60,849
Total liabilities	125,405	113,897
Net assets		
Invested in capital assets	42,895	56,651
Restricted	-	25,759
Unrestricted	17,443	5,589
Total net assets	60,338	87,999
Total liabilities and net assets	185,743	201,896

Approved on behalf of the board

Stephen Potts Director

Nicole Forcese Director

See accompanying notes

JFJ HOPE CENTRE

Statement of Operations

For the Year Ended March 31, 2025

	2025	2024
Revenue		
Donations	276,003	168,058
Special events	-	22,442
Nobody's Perfect	13,000	20,150
Rental revenue - note 8	21,000	21,000
Government grants and funding	-	51,959
Foundation grants and funding	24,050	40,000
Realized investment income - note 9	8,304	7,585
Change in unrealized investment income	2,654	1,031
Total revenue	345,011	332,225
Adoption/birth parent counselling expenditures		
Wages and benefits	35,577	25,422
Travel - case workers	1,121	1,335
Telephone	787	456
Foster care	2,394	263
Total adoption/birth parent counselling expenditure	39,879	27,476
Relationship Compass, Parenting, Nobody's Perfect and Care Cupboard programming expenditures		
Wages and benefits	75,265	69,115
Telephone	924	930
Materials	4,322	5,052
Total Relationship Compass, Parenting, Nobody's Perfect and Care Cupboard programming expenditures	80,511	75,097
Promotion expenditures		
Wages and benefits	48,794	51,426
Travel	337	81
Telephone	176	176
Advertising, promotion and solicitation	4,998	11,058
Events	-	19,553
Strategy and planning consulting fees	60,291	30,434
Total promotion expenditures	114,596	112,728

JFJ HOPE CENTRE

Statement of Operations

For the Year Ended March 31, 2025

	2025	2024
Administrative expenditures		
Wages and benefits	57,683	89,306
Telephone	959	671
Professional	11,450	5,017
Office and general	7,490	6,504
Occupancy costs	21,124	23,556
Insurance	6,541	6,285
Computer and internet	13,705	16,454
Bank charges and fees	1,903	841
Amortization	16,831	16,959
Total administrative expenditures	137,686	165,593
Total expenditures	372,672	380,894
Deficiency of revenue over expenditures for the year	(27,661)	(48,669)

See accompanying notes

JFJ HOPE CENTRE

Statement of Changes in Net Assets

For the Year Ended March 31, 2025

	Invested in capital assets	Restricted	Unrestricted	2025	2024
Balance, beginning of the year	56,651	25,759	5,589	87,999	136,668
Deficiency of revenue over expenditures	(16,831)	(25,759)	14,929	(27,661)	(48,669)
Invested (disposal) in capital assets	3,075	-	(3,075)	-	-
Balance, end of the year	42,895	-	17,443	60,338	87,999

See accompanying notes

JFJ HOPE CENTRE

Statement of Cash Flows

For the Year Ended March 31, 2025

Cash provided by (used in):	**2025**	**2024**
Cash flows from operating activities		
Deficiency of revenue over expenditures for the year	(27,661)	(48,669)
Adjustments for:		
Amortization of capital assets	16,831	16,959
	(10,830)	(31,710)
Net changes in non-cash operating items:		
PSB rebate receivable	(273)	1,587
Prepaid expenses	(1,219)	4,553
Accounts payable and accrued liabilities	(14,015)	448
Payroll remittances payable	(4,831)	1,467
Deferred grant income	41,496	-
Cash flows from operating activities	10,328	(23,655)
Cash flows from investing activities		
Change to short-term investments	(5,959)	11,384
Change to capital assets	(3,075)	(1,465)
Cash flows from investing activities	(9,034)	9,919
Cash flows from financing activities		
Due to JFJ Hope Centre Adoption Services	(11,142)	81,816
CEBA loan payable	-	(60,000)
Cash flows from financing activities	(11,142)	21,816
Net increase (decrease) in cash and cash equivalents	(9,848)	8,080
Cash and cash equivalents - beginning of year	20,525	12,445
Cash and cash equivalents - end of year	10,677	20,525
Represented by:		
Cash and cash equivalents	10,677	20,525

See accompanying notes

JFJ HOPE CENTRE

Notes to the Financial Statements

March 31, 2025

1) Purpose of the organization

JFJ Hope Centre (referred to hereafter as the "Organization"), is chartered as an Ontario non-profit corporation since September 15, 1958, and is registered as a charity under the Income Tax Act (Canada). As a registered charity, the Organization is exempt from corporation income taxes, provided certain requirements under the Income Tax Act (Canada) are met.
The purpose of the Organization is to conduct various programs to provide a caring Christian counselling program, intervention and support, for people of all persuasions and economic conditions throughout crisis pregnancy situations. It also operates a care cupboard program, distributing children's' food and clothing.

2) Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (hereafter "ASNPO"), using the deferral method of accounting for contributions, in accordance with section Part III 4410 of ASNPO.
These financial statements were prepared using accounting principles applicable to a going concern, which assumes that the Organization will continue in operation for a reasonable period of time and will realize its assets and discharge its liabilities in the normal course of operations.
These standards are in accordance with Canadian generally accepted accounting principles and include the following significant policies:

(a) Revenue recognition
The Organization's revenues primarily consist of program and event fees, donations, grants and investment revenues. Program and event fees are recorded on the accrual basis. Grants are recognized as income when evidence of an arrangement exists, services/expenses required under the grant have occurred, the grant amount is fixed and determinable, and collectability is reasonably assured. Investment revenues are recognized as revenue when earned.

(b) Donations
Donations are recognized as revenue when received. Donations in-kind are recorded at fair value.

(c) Restricted contributions
Restricted contributions are amounts received for the purposes of specific programs being run by the Organization.

(d) Pledges
Pledges are not recognized in the financial statements.

(e) Capital assets
The Organization's capital assets are recorded at cost. Amortization is provided over the useful lives of the assets using the following basis and rates:

Building	-4% straight balance
Furniture and equipment	-20% declining balance
Computer hardware and software	-30% declining balance

In the year of acquisition, amortization is taken at 50% of the annual rate.

2) Significant accounting policies (continued)

(f) Impairment of long-lived assets
The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(g) Contributed services
The Organization would not be able to carry out its activities without the services of the many board of directors and other volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in these financial statements.

(h) Allocation of expenses
These financial statements were prepared on the basis of allocating certain identifiable expenses to specific cost-centres. However, where items cannot be accurately allocated, the cost is allocated based on the primary purpose of the related event or activity.

(i) Government assistance
The Company has applied for government assistance under the Region of Peel Community Investment Program and Ontario Trillium Foundation Seed Grant program. Government assistance from the Community Investment Program and Seed Grant fund was recorded as a reduction of the salaries and wages.

(j) Use of estimates
The preparation of the financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

(k) Cash and cash equivalents
Cash and cash equivalents include highly-liquid instruments with an original maturity of less than 90 days. The carrying amounts of cash and cash equivalents state the cost plus accrued interest which approximates their fair value.

(l) Marketable securities
Marketable securities are classified as held for trading and are recorded at market value. Market value for publicly traded securities is based on quoted market price. Gain and losses are reflected in net income for the period in which they arise.

(m) Capital disclosures
The Organization manages its capital primarily through its investments and adheres to the Organization's investment policies.

(n) Financial instruments
The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, which are measured at the amount agreed upon between the related parties. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investment in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

(o) Cash flows
The Organization uses the indirect method of reporting cash flows from operating activities.

JFJ HOPE CENTRE

Notes to the Financial Statements

March 31, 2025

3) Cash and cash equivalents

The cash and equivalents includes funds reserved for the Region of Peel Community Investment Program and Ontario Trillium Foundation funding program, in the amount of $41,496 in 2025 (2024 - $25,759),

4) Short-term investments

As at March 31, 2025, the marketable securities portfolio is comprised of mutual fund and GIC investments amounting to $121,137 (2024 - $115,178). The GIC investment has a maturity date of March 25, 2026 and earns interest at 2.7%.
A GIC investment of $10,993 has been pledged as a security towards the Organization's credit card and overdraft limit banking facilities.

5) Capital assets

	Cost	Accumulated Amortization	Net book value 2025	Net book value 2024
Building	353,169	(318,660)	34,509	48,637
Furniture and equipment	18,953	(17,657)	1,296	1,619
Computer hardware and software	45,553	(38,463)	7,090	6,395
	417,675	(374,780)	42,895	56,651

6) Government assistance programs

Amounts received for operational support programs were recorded as revenues, during the year ending March 31, 2025.

(i) The Organization received $11,900 under the Seed Grant fund established by the Ontario Trillium Foundation for the purpose of enabling the Organization to building healthy vibrant communities. $11,900 of the funds are deferred as at March 31, 2025, until expensed in accordance with the grant requirements. The funds are to be used to support both direct personnel and direct non-personnel costs, related to the purpose of the grant.

(ii) The Organization received $33,517 under the Region of Peel Community Investment Program established by the Regional Municipality of Peel for the purpose of enabling the Organization to better deliver community and social services in the Region of Peel, of which $29,596 as at March 31, 2025 are deferred until expensed in accordance with the grant requirements. The funds are to be used to support the core operating wages required to provide the community and social services in Peel Region.

7) Due to JFJ Hope Centre Adoption Services

The related entity advances are from an organization related to the Organization, by virtue of common directors. The advances are measured at cost, demand in nature, non-interest bearing and have no fixed repayment schedule.

JFJ HOPE CENTRE

Notes to the Financial Statements

March 31, 2025

8) Related party transactions

The Organization entered into a commercial building lease with JFJ Hope Centre Adoption Services. Pursuant to terms of the lease, the Organization earned lease revenues in the amount of $21,000 in 2025 (2024 - $21,000), which includes amounts for utilities, property tax and insurance expense chargebacks. These transactions are in normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.
The Organization received donations from a charitable organization registered under the Income Tax Act (Canada), which shares common board of directors with the Organization. Total donations amounted to $90,000 during the year ending March 31, 2025.

9) Investment income

Balance consists of interest and dividends of $7,372 and a capital gain on dispositions of $932.

10) Financial instruments risk exposure

(a) 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 in respect of its accounts payable and accrued liabilities. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations.

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

(i) Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Organization is not exposed to currency risk.

(ii) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Organization is exposed to interest rate risk.

(iii) Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices. The Organization is exposed to other price risk on its marketable securities.

11) Commitments

The Organization has entered into contracts with various third parties to provide certain services to manage the premises.

12) Corresponding figures

Certain of the corresponding figures have been reclassified to conform with the financial statement presentation of the current year.