JFJ HOPE CENTRE ADOPTION SERVICES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

JFJ HOPE CENTRE ADOPTION SERVICES

FOR THE YEAR ENDED MARCH 31, 2025

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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 Adoption Services

Qualified Opinion

We have audited the financial statements of JFJ Hope Centre Adoption Services (the Organization), which comprise the statement of financial position as at March 31, 2025 and the statements of operations and 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 Adoption Services 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 25, 2025
Vaughan, Ontario

JFJ HOPE CENTRE ADOPTION SERVICES

Statement of Financial Position

As at March 31, 2025

	2025	2024
Assets		
Current		
Cash and cash equivalents - general	13,434	6,036
Cash and cash equivalents - in trust - note 3	61,029	14,824
Short-term investments - note 4	73,021	73,972
Accounts receivable	72,726	67,353
Due from JFJ Hope Centre - note 5	49,707	60,849
Prepaid expenses	970	914
Total assets	270,887	223,948
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	40,820	45,636
Government remittances payable	4,832	-
Deferred revenues	59,401	14,618
Total liabilities	105,053	60,254
Net assets		
Restricted	1,629	206
Unrestricted	164,205	163,488
Total net assets	165,834	163,694
Total liabilities and net assets	270,887	223,948

Approved on behalf of the board

________________ Director

________________ Director

See accompanying notes

JFJ HOPE CENTRE ADOPTION SERVICES

Statement of Operations

For the Year Ended March 31, 2025

	2025	2024
Revenue		
Adoption fees	493,474	374,556
Registration and other fees	77,807	60,611
Donations	2,513	7,253
Dividend income	2,335	3,085
Realized capital gains	85	1,532
Change in unrealized investment gain (loss)	1,699	(608)
Total revenue	577,913	446,429
Direct expenditures		
Wages and benefits	180,299	165,707
Charitable donations - note 6	90,000	-
Travel and mileage	19,786	11,271
Telephone	2,826	2,236
Legal fees and documents, birth certificates, etc.	54,527	15,485
Foster care	64,090	52,217
Outside counselling services and contract social workers	25,298	4,345
Insurance	1,714	2,386
Total direct expenditures	438,540	253,647
Promotion and solicitation expenditures		
Promotion and solicitation	3,339	6,034
Special event	56	787
Total promotion and solicitation expenditures	3,395	6,821
Adoption expenditures		
Adoption family support	25,356	16,148
Adoption education	1,673	4,978
Total adoption expenditures	27,029	21,126
Administrative expenditures		
Wages and benefits	69,681	58,160
Rent - note 6	21,000	21,000
Professional and legal	8,813	10,630
General and office supplies	7,315	10,792
Total administrative expenditures	106,809	100,582
Total expenditures	575,773	382,176
Excess of revenue over expenditures for the year	2,140	64,253

See accompanying notes

JFJ HOPE CENTRE ADOPTION SERVICES

Statement of Changes in Net Assets

For the Year Ended March 31, 2025

	Restricted	Unrestricted	2025	2024
Balance, beginning of the year	206	163,488	163,694	99,441
Excess of revenue over expenditures	1,423	717	2,140	64,253
Balance, end of the year	1,629	164,205	165,834	163,694

See accompanying notes

JFJ HOPE CENTRE ADOPTION SERVICES

Statement of Cash Flows

For the Year Ended March 31, 2025

Cash provided by (used in):	**2025**	**2024**
Cash flows from operating activities		
Excess of revenue over expenditures for the year	2,140	64,253
Net changes in non-cash operating items:		
Accounts receivable	(5,373)	(38,640)
Prepaid expenses	(56)	(533)
Accounts payable and accrued liabilities	(4,816)	25,989
Government remittances payable	4,832	-
Deferred revenues	44,783	12,403
Cash flows from operating activities	41,510	63,472
Cash flows from investing activities		
Change to short-term investments	951	15,991
Cash flows from investing activities	951	15,991
Cash flows from financing activities		
Due from JFJ Hope Centre	11,142	(81,816)
Cash flows from financing activities	11,142	(81,816)
Net increase (decrease) in cash and cash equivalents	53,603	(2,353)
Cash and cash equivalents - beginning of year	20,860	23,213
Cash and cash equivalents - end of year	74,463	20,860
Represented by:		
Cash and cash equivalents - general	13,434	6,036
Cash and cash equivalents - in trust	61,029	14,824
	74,463	20,860

See accompanying notes

JFJ HOPE CENTRE ADOPTION SERVICES

Notes to the Financial Statements

March 31, 2025

1) Purpose of the Organization

JFJ Hope Centre Adoption Services (referred to hereafter as the "Organization"), is chartered as an Ontario non-profit corporation since August 3, 1979, 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 place children with Christian adoptive parents.

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 adoption fees, registration fees and investment revenues. Adoption and registration fees are recorded on the accrual basis and recognized as income when evidence of an arrangement exists, services are provided to customers, the selling price 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) 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.

(f) 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.

2) Significant accounting policies (continued)

(g) 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.

(h) Marketable securities
Marketable securities are classified as held for trading and are recorded at market value. Gain and losses are reflected in net income for the period in which they arise.

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

(j) 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.

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

3) Cash and cash equivalents - in trust

The cash in trust account pertains to amounts received in relation to the adoptive services and/or funds to be used for certain programming.

4) Short-term investments

As at March 31, 2025, the marketable securities portfolio is comprised of mutual fund investments amounting to $73,021 (2024 - $73,972).

5) Due from JFJ Hope Centre

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.

6) Related party transactions

The Organization entered into a commercial building lease with JFJ Hope Centre. Pursuant to terms of the lease, the Organization paid lease fees 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 made donations to 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.

7) Financial instruments risk exposure

(a) Credit risk
Financial instruments that potentially subject the Corporation to significant concentrations of credit risk consist of cash and cash equivalent and trade accounts receivable. To reduce credit risk, cash equivalents are only held at major financial institutions and management believes its exposure to credit risk is not significant. For the trade accounts receivable, the Corporation manages its credit risk with respect to accounts receivable by dealing primarily with creditworthy customers.

(b) 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.

(c) 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 not 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.

8) Commitments

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

9) Corresponding figures

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