FINANCIAL STATEMENTS

The Pregnancy Centre

Unaudited - See Independent Practitioner's Review Engagement Report

December 31, 2024

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the directors of
The Pregnancy Centre

We have reviewed the accompanying financial statements of **The Pregnancy Centre** that comprise the statement of financial position as at **December 31, 2024** and the statements of surplus, operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Centre reports revenues from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Centre. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and surplus as at January 1 and December 31 for both the 2024 and 2023 year ends. Our conclusion on the financial statements as at and for the year ended as at December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, other than the basis for a qualified conclusion, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **The Pregnancy Centre** as at **December 31, 2024** 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.

HFK *McRae & Wilson LLP*

Kitchener, Ontario
June 22, 2025

Chartered Professional Accountants
Licensed Public Accountants

The Pregnancy Centre

Statement of Financial Position

As at December 31 | Unaudited - See Review Engagement Report

		2024		2023
ASSETS				
Current				
Cash	$	258,261	$	201,305
Short term investments - *Note 4*		161,699		207,854
Accounts receivable		2,228		-
Government remittances receivable		12,191		11,705
Prepaid expenses and deposits		21,080		18,679
		455,459		439,543
Tangible capital assets - *Note 5*		9,766		14,851
Other				
Incorporation costs		506		506
	$	465,731	$	454,900
LIABILITIES AND SURPLUS				
Current				
Accounts payable	$	1,623	$	1,621
Restricted contributions - *Note 6*		7,877		12,641
		9,500		14,262
Surplus		456,231		440,638
	$	465,731	$	454,900

See accompanying notes

On behalf of the Board

Sheryl Ramseyer Director

_______________ Director

The Pregnancy Centre

Statement of Surplus

Year ended December 31 — Unaudited - See Review Engagement Report

		2024		2023
Surplus in tangible capital assets				
Balance - beginning of year	$	14,851	$	18,851
Investment in tangible capital assets		-		1,337
Transfer (to) operating surplus		(5,085)		(5,337)
Balance - end of year		9,766		14,851
Operating Reserve - *Note 9*				
Balance - beginning of year		170,000		170,000
Transfer from operating surplus		20,000		-
Balance - end of year		190,000		170,000
Operating Surplus				
Balance - beginning of year		255,787		198,608
Excess of revenues over expenses		15,593		53,179
Transfer from equity in tangible capital assets		5,085		5,337
Transfer (to) equity in tangible capital assets for tangible capital asset purchases		-		(1,337)
Transfer (to) operating reserve		(20,000)		-
Balance - end of year		256,465		255,787
	$	456,231	$	440,638

See accompanying notes

The Pregnancy Centre

Statement of Operations

Year ended December 31 — Unaudited - See Review Engagement Report

		2024		2023
Revenue - *see Schedule*	$	499,138	$	493,555
Expenses				
Wages and benefits - *Note 8*		302,542		249,227
Client supplies		102,980		77,170
Rent and utilities - *Note 8*		75,587		77,023
Program expense		17,368		14,318
Bank charges		6,084		4,950
Memberships and fees		6,053		3,519
Professional fees		5,306		-
Office supplies		4,997		2,549
Donor development		4,561		2,027
Maintenance		3,283		7,116
Insurance		2,714		2,664
Directors expense		2,039		918
Advertising and promotion		1,932		10,007
Telephone		1,734		2,743
Fundraising expense		1,487		825
Volunteer training and appreciation		1,283		2,306
		539,950		457,362
Operating income (loss) before other income (expenses)		(40,812)		36,193
Other income (expenses)				
Interest income		7,545		5,782
Spring event - *Note 10*		(2,748)		14,241
Discretionary grants - *Note 11*		56,693		2,300
		61,490		22,323
Excess before amortization		20,678		58,516
Amortization expense		5,085		5,337
Excess of revenue over expenses	$	15,593	$	53,179

See accompanying notes

Schedule of Revenue

Year ended December 31 Unaudited - See Review Engagement Report

		2024		2023
Revenue				
Personal donations	$	315,976	$	338,294
Corporate donations		106,911		103,989
Church donations		71,487		45,429
Deferred contributions		4,764		4,843
Grant revenue		-		1,000
	$	499,138	$	493,555

See accompanying notes

The Pregnancy Centre

Statement of Cash Flows

Year ended December 31 Unaudited - See Review Engagement Report

	2024	2023
Cash flows from operating activities		
Cash receipts from donors and other	$ 499,171	$ 511,035
Cash paid to suppliers and employees	(488,369)	(453,621)
Cash flows from operating activities	10,802	57,414
Cash flows from investing activities		
Purchase of tangible capital assets - *Note 5*	-	(1,337)
Purchase of investments	46,155	(80,047)
Cash flows from investing activities	46,155	(81,384)
Net increase (decrease) in cash and cash equivalents	56,957	(23,970)
Cash - beginning of year	201,305	225,275
Cash - end of year	$ 258,262	$ 201,305

See accompanying notes

1. Purpose of Organization and Legal Status

The Pregnancy Centre is a registered charity incorporated in the Province of Ontario with non-share capital. Its purpose is to provide practical resources and emotional support to people who are pregnant or parenting in crisis.

2. Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with Canadian Accounting Standards for not-for-profit organizations.

Cash and Cash Equivalents

The Organization considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are recorded at cost, including accrued interest, which approximates market value.

Tangible Capital Assets

Tangible capital assets are stated at cost. Amortization is provided using the following rates and methods:

Furniture and fixtures	25% declining balance
Computer equipment	25% declining balance
Leasehold improvements - Kitchener facility	5 years straight-line

One half the normal rates of amortization apply in the year of acquisition.

Revenue Recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue Recognition - Donations

Donations are reported as income in the year in which they are received.

Donations-in-kind are reported as revenue and expensed or capitalized as appropriate.

2. Significant Accounting Policies - continued

Contributed Materials and Services

Volunteers contribute a number of hours each year to assist the Organization in carrying out its activities. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements.

Provision for Income Taxes

Since the organization is chartered as a registered charity, it is not liable for income taxes and therefore, a provision for income taxes has not been established.

Measurement Uncertainty

Financial statements are based on representations that require estimates to be made in anticipation of future transactions and events and include measurement that may, by their nature, be approximations.

Use of Estimates

The preparation of these financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Financial Instruments

Under Canadian accounting standards for not-for-profit organizations, all financial assets are classified as held-for-trading, held-to-maturity, loans and receivables, or available-for-sale. All financial liabilities are classified as held-for-trading, or other financial liabilities. The organization has adopted the following classifications for financial assets and liabilities:

- Cash and short-term investments are classified as held-for-trading. Changes in fair value for the period are recorded in the statement of operations and transaction costs are expensed as incurred.
- Amounts receivable are classified as loans and receivables. These assets are initially recorded at fair value and subsequently measured at amortized cost less any provision for impairment.
- Accounts payable are classified as other financial liabilities. These liabilities are initially recorded at fair value and subsequently measured at amortized cost.

3. Financial Assets and Liabilities

The Organization's financial instruments consist of cash, temporary investments, accounts receivable, government remittances receivable, accounts payable and accrued liabilities, government remittances payable, and deferred contributions. The Organization's financial instruments are initially measured at fair value and are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include liquidity risk.

Liquidity Risk

The Organization's exposure to liquidity risk is dependent on the receipt of contributions, collection of accounts receivable, purchasing commitments and raising funds to meet commitments and sustain operations. The Organization controls liquidity risk by management of working capital and cash flows.

4. Short-Term Investments

Short-term investments consists of cashable Guaranteed Investment Certificates, bearing interest rates ranging from 2.75% to 4.90%, and have maturity periods ranging from January 23, 2025 to November 15, 2025.

5. Tangible Capital Assets

		Accumulated	Net Book Value	
	Cost	**Amortization**	**2024**	**2023**
Furniture and fixtures	$ 41,421	$ 40,437	$ 984	$ 1,312
Computer equipment	24,662	21,366	3,296	4,395
Leaseholds	18,287	12,801	5,486	9,144
	$ 84,370	$ 74,604	$ 9,766	$ 14,851

During the year, tangible capital assets totaling $nil (2023 - $1,337) were purchased with cash.

6. Restricted Contributions

In previous fiscal years, the organization received grants totaling of $17,000 to assist with the purchase of leaseholds and computer and technology needs at the Centre's operating premises. These grants are amortized into revenue as the technology is purchased and amortized. In the prior fiscal year, the organization received a tenant allowance of $22,645 to assist with the purchase of leaseholds. This allowance is amortized into revenue over the length of the lease agreement.

	2024	2023
Restricted contributions	$ 39,645	$ 39,645
Accumulated amortization	(31,768)	(27,004)
	$ 7,877	$ 12,641

7. Commitments

The organization has entered into a lease agreement to rent office space. The lease expires July 31, 2026.

The minimum lease payments are as follows:

2025	$ 42,585
2026	24,841
	$ 67,426

8. Government Grants

During the year, the organization received $6,665 (2023 - $8,350) from the Government of Canada summer student co-op program which has been recorded as a reduction in wages and benefits.

During the year, the organization received a charity tax rebate of $6,193 (2023 - $5,570) from the City of Kitchener which has been recorded as a reduction in rent and utilities.

9. Operating Reserve

The operating reserve is a designated fund set aside by the action of the Board of Directors. The reserve is to cover approximately 6 months of operating costs.

10. Spring Event

Included in spring event are non-receipted proceeds collected of $9,503 (F2023 - $34,062) , net of total expenses of $12,251 (F2023 - $19,821).

11. Discretionary Grants

The Centre receives unsolicited grants from individuals and organizations. These grants are infrequent in timing and amount. These non-receipted grants do not form part of the Centre's typical annual operating revenue and do not form part of the Centre's budgeting process.

12. Comparative Amounts

Certain comparative amounts have been reclassified to conform with the financial statement presentation adopted in the current year.