

FINANCIAL STATEMENTS

The Pregnancy Centre

Unaudited - See Independent Practitioner's Review Engagement Report

December 31, 2025

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, 2025** 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, 2025 and 2024, current assets as at December 31, 2025 and 2024, and surplus as at January 1 and December 31 for both the 2025 and 2024 year ends. Our conclusion on the financial statements as at and for the year ended as at December 31, 2025 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, 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.

HFK *McRae & Wilson LLP*

Kitchener, Ontario
June 15, 2026

Chartered Professional Accountants
Licensed Public Accountants

The Pregnancy Centre

Statement of Financial Position

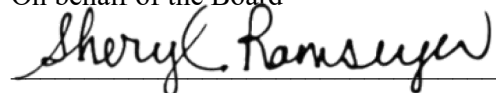
As at December 31

Unaudited - See Review Engagement Report

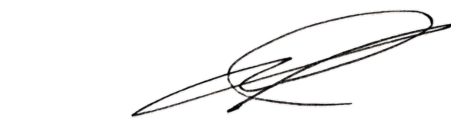
	2025	2024
ASSETS		
Current		
Cash	\$ 210,661	\$ 258,261
Short term investments - <i>Note 4</i>	165,362	161,699
Accounts receivable	-	2,228
Government remittances receivable	17,564	12,191
Prepaid expenses and deposits	20,729	21,080
	414,316	455,459
Tangible capital assets - <i>Note 5</i>	5,501	9,766
Other		
Incorporation costs	506	506
	\$ 420,323	\$ 465,731
LIABILITIES AND SURPLUS		
Current		
Accounts payable	\$ 6	\$ 1,623
Restricted contributions - <i>Note 6</i>	3,171	7,877
	3,177	9,500
Surplus	417,146	456,231
	\$ 420,323	\$ 465,731

See accompanying notes

On behalf of the Board

 Director

Sheryl Ramseyer, June 29, 2026

 Director

Jason Carson, June 29, 2026

The Pregnancy Centre**Statement of Surplus**

Year ended December 31

Unaudited - See Review Engagement Report

	2025	2024
Surplus in tangible capital assets		
Balance - beginning of year	\$ 9,766	\$ 14,851
Transfer (to) operating surplus	(4,265)	(5,085)
Balance - end of year	5,501	9,766
Operating Reserve - Note 9		
Balance - beginning of year	190,000	170,000
Transfer (to) from operating surplus	(60,000)	20,000
Balance - end of year	130,000	190,000
Operating Surplus		
Balance - beginning of year	256,465	255,787
(Deficiency) excess of revenues over expenses	(39,085)	15,593
Transfer from equity in tangible capital assets	4,265	5,085
Transfer from (to) operating reserve	60,000	(20,000)
Balance - end of year	281,645	256,465
	\$ 417,146	\$ 456,231

See accompanying notes

The Pregnancy Centre**Statement of Operations**

Year ended December 31

Unaudited - See Review Engagement Report

	2025	2024
Revenue - see Schedule	\$ 495,933	\$ 499,138
Expenses		
Wages and benefits - <i>Note 8</i>	406,738	302,542
Rent and utilities - <i>Note 8</i>	82,027	75,587
Client supplies	53,516	102,980
Professional fees	48,216	5,306
Program expense	20,619	17,368
Memberships and fees	10,818	6,053
Bank charges	6,666	6,084
Advertising and promotion	6,421	1,932
Donor development	6,418	4,561
Office supplies	6,104	4,997
Maintenance	3,251	3,283
Volunteer training and appreciation	2,869	1,283
Insurance	2,739	2,714
Telephone	2,273	1,734
Fundraising expense	2,107	1,487
Directors expense	1,339	2,039
	662,121	539,950
Operating income (loss) before other income (expenses)	(166,188)	(40,812)
Other income (expenses)		
Interest income	4,863	7,545
Spring event - <i>Note 10</i>	11,669	(2,748)
Discretionary grants - <i>Note 11</i>	115,365	56,693
	131,897	61,490
(Deficiency) excess before amortization	(34,291)	20,678
Amortization expense	4,794	5,085
(Deficiency) excess of revenue over expenses	\$ (39,085)	\$ 15,593

See accompanying notes

Schedule of Revenue

Year ended December 31

Unaudited - See Review Engagement Report

	2025	2024
Revenue		
Personal donations	\$ 338,943	\$ 315,976
Corporate donations	85,800	106,911
Church donations	66,484	71,487
Deferred contributions	4,706	4,764
	\$ 495,933	\$ 499,138

See accompanying notes

The Pregnancy Centre**Statement of Cash Flows**

Year ended December 31

Unaudited - See Review Engagement Report

	2025	2024
Cash flows from operating activities		
Cash receipts from donors and other	\$ 507,759	\$ 499,171
Cash paid to suppliers and employees	(551,169)	(488,370)
Cash flows from operating activities	(43,410)	10,801
Cash flows from investing activities		
Purchase of tangible capital assets - <i>Note 5</i>	(527)	-
Purchase of investments	(3,663)	46,155
Cash flows from investing activities	(4,190)	46,155
Net (decrease) increase in cash and cash equivalents	(47,600)	56,956
Cash - beginning of year	258,261	201,305
Cash - end of year	\$ 210,661	\$ 258,261

See accompanying notes

Notes to Financial Statements

December 31, 2025

Unaudited - See Review Engagement Report

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.

Notes to Financial Statements

December 31, 2025

Unaudited - See Review Engagement Report

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.

Notes to Financial Statements

December 31, 2025

Unaudited - See Review Engagement Report

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 2.00% to 3.00%, and have maturity periods ranging from January 23, 2026 to December 13, 2026.

5. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2025	2024
Furniture and fixtures	\$ 41,421	\$ 40,683	\$ 738	\$ 984
Computer equipment	25,190	22,256	2,934	3,296
Leaseholds	18,287	16,458	1,829	5,486
	\$ 84,898	\$ 79,397	\$ 5,501	\$ 9,766

During the year, tangible capital assets totaling \$527 (2024 - nil) were purchased with cash.

Notes to Financial Statements

December 31, 2025

Unaudited - See Review Engagement Report

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 2021, 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.

	2025	2024
Restricted contributions	\$ 39,645	\$ 39,645
Accumulated amortization	(36,474)	(31,768)
	<u>\$ 3,171</u>	<u>\$ 7,877</u>

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:

2026	<u>\$ 24,841</u>
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8. Government Grants

During the year, the organization received \$6,929 (2024 - \$6,665) 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 \$6,550 (2024 - \$6,193) 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.

Notes to Financial Statements

December 31, 2025

Unaudited - See Review Engagement Report

10. Spring Event

Included in spring event are non-receipted proceeds collected of \$23,780 (F2024 - \$9,503), net of total expenses of \$12,111 (F2024 - \$12,251).

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.