HOPE STORY

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

DECEMBER 31, 2025
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Graham Mathew

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INDEPENDENT AUDITORS' REPORT

To the Members of
Hope Story

Opinion

We have audited the accompanying financial statements of **Hope Story**, which comprise the statement of financial position as at December 31, 2025, and the statements of revenue and expenditures, fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hope Story as at December 31, 2025, and its financial performance 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Hope Story 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.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing Hope Story'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 the Board of Directors either intends to liquidate Hope Story or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Hope Story's financial reporting process.

Auditors’ 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Hope Story'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 Hope Story's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Hope Story 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.

Graham Mathew Professional Corporation

Cambridge, Ontario
April 24, 2026

Chartered Professional Accountants, authorized to practise public accounting by the Chartered Professional Accountants of Ontario

STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

	Unrestricted Fund $	Restricted Fund $	2025 $	2024 $
Revenue				
Donations	**482,068**	**1,030,851**	**1,512,919**	1,847,300
Investment income	**13,341**	**(5,093)**	**8,248**	31,321
Administration fees (note 7)	**172,012**	**(172,012)**		
	667,421	**853,746**	**1,521,167**	1,878,621
Expenditures of Restricted Funds				
Project support	**9,432**	**1,083,882**	**1,093,314**	1,257,905
Vision teams		**327**	**327**	2,422
	9,432	**1,084,209**	**1,093,641**	1,260,327
Head Office Expenditures				
Salaries and benefits	**455,942**		**455,942**	398,185
Marketing	**105,415**		**105,415**	78,274
Office administration	**115,836**	**947**	**116,783**	102,906
Rent	**19,238**		**19,238**	18,785
Fundraising	**60,443**		**60,443**	49,447
Professional fees	**28,372**		**28,372**	29,932
Insurance	**4,531**		**4,531**	2,531
Amortization	**3,585**		**3,585**	4,660
	793,362	**947**	**794,309**	684,720
	802,794	**1,085,156**	**1,887,950**	1,945,047
Loss before undernoted item	**(135,373)**	**(231,410)**	**(366,783)**	(66,426)
Unrealized gain on investments	**64,111**	**21,638**	**85,749**	70,163
Excess (deficiency) of revenue over expenditures for year	**(71,262)**	**(209,772)**	**(281,034)**	3,737

The explanatory financial notes form an integral part of these financial statements.

STATEMENT OF FUND BALANCES
YEAR ENDED DECEMBER 31, 2025

	Unrestricted Fund $	**Restricted Fund $**	**2025 $**	2024 $
Balance, beginning of year	**354,775**	**1,184,761**	**1,539,536**	1,535,799
Excess (deficiency) of revenue over expenditures for year	**(71,262)**	**(209,772)**	**(281,034)**	3,737
Interfund transfers (note 7)	**(349)**	**349**		
Balance, end of year (note 6)	**283,164**	**975,338**	**1,258,502**	1,539,536

The explanatory financial notes form an integral part of these financial statements.

FINANCIAL POSITION
DECEMBER 31, 2025

	2025 $	2024 $
ASSETS		
Cash	**220,590**	490,430
Short-term investments	**1,077,066**	1,051,684
Accounts receivable	**6,462**	23,459
Prepaid expenses	**3,256**	3,167
Current assets	**1,307,374**	1,568,740
Capital assets (note 3)	**12,668**	16,252
	1,320,042	1,584,992
LIABILITIES		
Accounts payable and accrued liabilities (note 4)	**61,540**	45,456
FUND BALANCES		
Unrestricted fund balance (note 6)	**283,164**	354,775
Restricted fund balance (note 6)	**975,338**	1,184,761
	1,258,502	1,539,536
	1,320,042	1,584,992

APPROVED BY THE BOARD:

________________________________ Director

________________________________ Director

The explanatory financial notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	2025 **$**	2024 $
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenditures for year	**(281,034)**	3,737
Item not involving cash:		
Amortization	**3,585**	4,660
	(277,449)	8,397
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	**16,997**	(6,849)
Accounts payable and accrued liabilities	**16,083**	16,845
Prepaid expenses	**(89)**	(1,669)
	(244,458)	16,724
Cash flows from investment activities:		
Increase in short-term investments	**(25,382)**	(68,812)
Net decrease in cash	**(269,840)**	(52,088)
Cash, beginning of year	**490,430**	542,518
Cash, end of year	**220,590**	490,430

The explanatory financial notes form an integral part of these financial statements.

1. Nature of Business

Hope Story was incorporated without share capital by letters patent dated November 4, 1997 under Part II of the Canada Corporations Act with its head office in Cambridge, Ontario, Canada.

The organization exists to promote and foster the Christian faith and to empower local, in-country churches and their leaders to serve vulnerable children in their communities. Hope Story carries out its charitable purposes by supporting church-led initiatives that alleviate human suffering, particularly among orphans and vulnerable children, through the provision of essential needs such as food, water, shelter, and medical care, as well as access to education, vocational training, and life skills development within a Christian context.

The organization's activities are carried out in Canada and internationally in partnership with local churches and community-based organizations.

Hope Story is a registered charity under the Income Tax Act. As such, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting

To ensure observation of restrictions placed on the use of resources available to Hope Story, the accounts are maintained in accordance with the principles of fund accounting. The resources are classified for accounting and reporting purposes into the following funds which have been established according to their nature and purpose:

The unrestricted fund balance represents the portion of the expendable funds available for operating costs of the Organization.

The restricted fund balance represents resources contributed to the Organization which have been allocated for specific mission project costs to be incurred in future periods.

(b) Revenue recognition

The Organization follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the unrestricted fund.

(c) Capital assets

The Organization amortizes capital assets using the declining-balance method at annual rates which will amortize the assets over their estimated useful lives:

Furniture and equipment	20%
Computer hardware and software	30%

2. Summary of Significant Accounting Policies (Continued)

(d) Contributed services and materials

Donations of materials and services are not reflected in these financial statements because of the impracticality of the record keeping and valuation of them.

(e) Financial instruments

Investments are shown on the statement of financial position at their fair values at the year-end date, with changes in fair value recognized in the statement of operations. All other financial assets and liabilities are recorded at amortized cost less any discovered impairment.

(f) 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 reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

3. Capital Assets

	2025 **$**	2024 $
Cost		
Furniture and equipment	**33,271**	33,271
Computer hardware and software	**30,572**	30,572
	63,843	63,843
Accumulated amortization		
Furniture and equipment	**22,941**	20,359
Computer hardware and software	**28,234**	27,232
	51,175	47,591
Net Book Value	**12,668**	16,252

4. Accounts Payable and Accrued Liabilities

	2025	2024
Accounts payable and accrued liabilities	**54,376**	37,923
Government remittances payable	**7,164**	7,533
	61,540	45,456

5. Lease Commitments

The Organization leases offices at 55 Fleming Dr., Cambridge, Ontario under a lease agreement that has been extended to August 31, 2028. The future annual lease payments including rent and utilities are as follows:

	$
2026	**19,699**
2027	**20,153**
2028	**13,638**

6. Fund Balances

	2025 **$**	2024 $
Restricted funds: projects		
Burkina Faso	**244,772**	284,718
Colombia	**15,638**	13,088
Zambia	**189,296**	181,316
Tanzania	**149,433**	141,494
Kenya	**57,753**	252,923
Canada	**89,181**	76,700
Lebanon	**33,167**	68,958
Other project funds	**43,467**	21,644
	822,707	1,040,841
Restricted funds: other		
Scholarship funds	**152,631**	143,920
Total restricted funds	**975,338**	1,184,761
Total unrestricted funds	**283,164**	354,775
Total fund balances	**1,258,502**	1,539,536

7. Administrative Fees and Interfund Transfers

During the year, $172,012 ($241,454 in 2024) was transferred from the Restricted Funds to the Unrestricted Fund as payment of interfund administration fees. A majority of restricted funds are subject to a 15% or 20% administration fee, depending on whether projects are ongoing (e.g. day to day operations) or one-time (e.g. construction). In addition, the Board approved net transfers of $(349) from the Restricted Fund to Unrestricted Fund in the year. Though initially classified by the Organization as restricted, these funds were not restricted by donors to a particular project or initiative. In 2024, $11,547 was transferred from the Restricted Fund to Unrestricted Fund.

8. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following provides a description of the entity's risk exposure and concentrations at the year end date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its payment obligations (accounts payable and accrued liabilities) associated with financial liabilities in a timely basis. Based on current financial results, the entity is not exposed to liquidity risk at this time.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity is exposed to credit risk with respect to its investments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The entity is exposed to market risk with respect to its investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The entity is exposed to other price risk through its investments.

Hope Story mitigates some of the above noted risks through the use of an investment policy and managers whose objective is to manage and control the risk exposures within acceptable parameters while optimizing the return.

9. Comparative Figures

Comparative figures have, in some instances, been reclassified in order to present them in a form comparable to those for the current year.