Financial Statements

JUMP Math

April 30, 2025

jump math®
MULTIPLYING POTENTIAL

Contents

April 30, 2025

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Independent auditor's report

October 8, 2025

To the directors of **JUMP Math:**

Opinion
We have audited the accompanying financial statements of **JUMP Math** (the "Organization"), which comprise the statement of financial position as at April 30, 2025 and the statements of change in net assets, operations 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 the Organization as at April 30, 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 Opinion
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 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 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 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.

Auditor's Responsibility for the Audit of 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 it 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 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 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 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 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.

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Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario

JUMP Math

Statement of Financial Position

April 30	**2025** **$**	2024 $
ASSETS		
Current		
Cash and cash equivalents	**-**	764,132
Harmonized sales tax recoverable	**70,075**	82,058
Accounts receivable	**295,268**	337,544
Inventory [note 3]	**570,192**	687,290
Prepaid expenses	**77,668**	93,140
	1,013,203	1,964,164
Loans receivable [note 4]	**450,000**	510,802
Investment in Innovaciones Educativas UpSocial, S.L. [note 4]	**876,392**	876,392
Capital assets [note 5]	**64,910**	13,167
Intangible asset - JUMP Math Lab	**251,464**	244,226
Intangible asset - JUMP Math Digital Platform [note 4]	**1,907,306**	567,894
	4,563,275	4,176,645
LIABILITIES		
Current		
Bank indebtedness [note 6]	**151,695**	-
Accounts payable and accrued liabilities	**570,427**	218,208
Loans payable, current [note 7]	**50,000**	250,000
Deferred grants [note 8]	**456,345**	671,633
Deferred licensing fees	**605,860**	260,845
Deferred royalties [note 4]	**193,507**	284,462
	2,027,834	1,685,148
Loans payable [note 7]	**99,707**	150,000
	2,127,541	1,835,148
NET ASSETS		
Unrestricted	**2,435,734**	2,341,497
	4,563,275	4,176,645

see accompanying notes

On behalf of the Board:

Martina Doyle
Chair and Secretary

Meghan Trivedi,
Director

JUMP Math

Statement of Change in Net Assets

Year ended April 30	**2025** $	2024 $
Balance, beginning of year	**2,341,497**	1,749,853
Excess of revenue over expenses for the year	**94,237**	591,644
Balance, end of year	**2,435,734**	2,341,497

see accompanying notes

JUMP Math

Statement of Operations

Year ended April 30	**2025** **$**	2024 $
Revenue		
Publication sales	**3,391,864**	3,618,649
Foundation grants	**1,515,057**	2,003,534
Licensing fees	**1,498,244**	1,560,793
Donations - Corporate	**476,534**	239,102
Royalties [note 4]	**157,012**	91,938
Donations - Individual	**137,169**	122,728
Training	**86,748**	133,265
Other	**53,748**	59,060
Investment income [note 4]	**43,608**	21,613
	7,359,984	7,850,682
Expenses		
Salaries and benefits	**4,113,335**	4,344,114
Printing and distribution [note 3]	**1,368,212**	1,505,848
Operating [note 7]	**839,446**	784,985
Contractors	**713,799**	395,219
Communications and training	**206,002**	213,028
Amortization of capital assets	**24,953**	15,844
	7,265,747	7,259,038
Excess of revenue over expenses for the year	**94,237**	591,644

see accompanying notes

JUMP Math

Statement of Cash Flows

Year ended April 30	2025 $	2024 $
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	**94,237**	591,644
Adjustment for items not affecting cash -		
Amortization of capital assets	**24,953**	15,844
	119,190	607,488
Changes in non-cash working capital balances -		
(Increase) decrease in harmonized sales tax recoverable	**11,983**	26,259
(Increase) decrease in accounts receivable	**42,275**	42,393
(Increase) decrease in inventory	**117,097**	35,164
(Increase) decrease in prepaid expenses	**15,472**	(30,553)
Increase (decrease) in accounts payable and accrued liabilities	**352,221**	(256,241)
Increase (decrease) in deferred grants	**(215,288)**	87,017
Increase (decrease) in deferred licensing fee	**345,015**	(1,560,793)
Increase (decrease) in deferred royalties	**(90,955)**	284,462
	697,010	(764,804)
FINANCING ACTIVITIES		
Advance (repayment) of impact investment loan	**(200,000)**	(200,000)
Advance (repayment) of revenue-based funding arrangement	**(50,293)**	200,000
	(250,293)	-
INVESTING ACTIVITIES		
(Advance) repayment of loan receivable from JUMP Math, Inc.	**140,802**	(91,157)
(Advance) repayment of loan receivable from Innovaciones Educativas UpSocial, S.L.	**(80,000)**	22,323
Investment in Innovaciones Educativas UpSocial, S.L.	**-**	(876,392)
Purchase of capital assets	**(76,696)**	(23,030)
Expenditures for JUMP Math Lab	**(7,238)**	(244,226)
Expenditures for JUMP Math Digital Platform	**(1,339,412)**	(465,799)
	(1,362,544)	(1,678,281)
Net change in cash and cash equivalents during the year	**(915,827)**	(2,443,085)
Cash and cash equivalents, beginning of year	**764,132**	3,207,217
Cash and cash equivalents (bank indebtedness), end of year	**(151,695)**	764,132
Cash and cash equivalents (bank indebtedness) consist of -		
Cash	**44,013**	488,313
Short-term investments	**4,292**	275,819
Line of credit [note 6]	**(200,000)**	-
	(151,695)	764,132

see accompanying notes

April 30, 2025

1. PURPOSE OF THE ORGANIZATION

JUMP Math (the "Organization") is a mathematics education program designed for classroom use, but which also includes a derivative version that is available for non-profit tutoring programs.

The Organization was founded in 1998 by mathematician and writer John Mighton. The Organization was incorporated on August 24, 2001 under the Ontario Corporations Act as an organization without share capital. Effective August 8, 2024, the Organization continued under the Canada Not-for-profit Corporations Act.

The Organization is classified as a registered charity as defined in paragraph 149(1)(f) of the Income Tax Act (Canada) [the "Act"] and, therefore, is exempt from income tax providing that it complies with donation and certain other requirements as specified by the Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition
The Organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Revenue from royalties, training, and sales of publications is recognized when the services are provided or the goods are sold.

Licensing fees are recognized over the term of the licensing agreement.

Investment income is recognized as revenue when earned.

Cash and cash equivalents (bank indebtedness)
Cash and cash equivalents (bank indebtedness) consist of deposits in banks, short-term investments with an initial maturity term of three months or less at the date of acquisition and a line of credit as it forms an integral part of the Organization's cash management.

Inventory
Inventory is comprised of teacher materials and student Assessment & Practice books in the field of mathematics. The books are developed and published by the Organization primarily for resale to schools and individuals at the elementary level and middle school level. Inventory is stated at the lower of cost and selling price, net of distribution costs. Cost includes the direct costs to typeset, print and bind the books and is determined using weighted average cost method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets
Capital assets are stated at cost less accumulated amortization. Amortization is provided at the following annual rates which are designed to charge operations with the cost of assets over their estimated useful lives.

Furniture, fixtures & equipment	20% declining balance
Computer equipment	55% declining balance
Leasehold improvements	Straight-line over lease term

In the year a capital asset is acquired, half of the annual amortization rate is applied. When capital assets no longer contribute to the Organization's ability to provide services, its carrying amount is written down to the residual value.

Intangible asset - JUMP Math Lab
The Organization is in the process of developing an online platform for the delivery of curriculum-aligned, interactive math assessment and practice for students in grades 1 to 8 to help strengthen and accelerate their math learning. Expenditures related to the development of the JUMP Math Lab are recorded at cost and are capitalized as an intangible asset. Management is in the process of assessing its useful life to determine amortization policy which will commence once the JUMP Math Lab is in use. The carrying value of the JUMP Math Lab is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible asset - JUMP Math Digital Platform
The Organization is in the process of developing a digital platform for the delivery of educational services. Expenditures related to the development of the digital platform are recorded at cost and are capitalized as an intangible asset. Management is in the process of assessing its useful life to determine amortization policy which will commence once the digital platform is in use. The carrying value of the digital platform is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Foreign currency translation
Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the year end date. Revenue and expenses in foreign currencies are translated at the exchange rates prevailing on the transaction date. Exchange gains or losses resulting from these translations are included in the statement of operations.

Contributed materials and services
A number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements. In addition, the value of contributed materials is not recognized in the financial statements.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments
The Organization initially measures its financial assets and liabilities at fair value except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and liabilities at amortized cost with the exception of investments in equity instruments that are quoted in an active market which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets and liabilities measured at amortized cost include cash and cash equivalents (bank indebtedness), accounts receivable, loans receivable, accounts payable and accrued liabilities and loans payable.

Financial assets and liabilities relating to related party transactions in the normal course of operations are measured at the exchange amount which is the consideration established and agreed to by the related parties. The investment in Innovaciones Educativas UpSocial, S.L., is recorded at cost.

Impairment
Financial assets measured at amortized cost are assessed for indicators of impairment. When there is indication of an impairment, the carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Use of estimates
The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of investments, valuation of receivables and accrued liabilities, the repayment principal of loans payable to UTI, the estimated useful lives of capital and intangible assets and the internal allocation of salaries and overhead to projects for the purposes of recognizing restricted contributions and capitalizing intangible assets. Actual results could differ from these estimates.

3. INVENTORY

Inventory is comprised of teacher materials and student Assessment & Practice books in the field of mathematics. Inventory totaling $866,600 (2024 - $985,949) was expensed during the year and has been included under printing and distribution expense in the statement of operations.

4. RELATED PARTY TRANSACTIONS

Innovaciones Educativas UpSocial, S.L. ("JUMP Math Spain")
Licensing agreements and royalties
The Organization had a 10-year licensing agreement dated May 26, 2015 with JUMP Math Spain, a Spanish low-profit social enterprise. Throughout the period of this agreement, the Organization agreed to defer a third of royalties owing to the Organization that were converted in 2020 to an equity interest in JUMP Math Spain.

Effective July 14, 2022, the Organization entered into a new superseding licensing agreement with JUMP Math Spain. On June 26, 2023, pursuant to an amendment to the licensing agreement, the Organization received upfront royalties totaling $344,903. Of this amount, $136,097 (2024 - $69,556) of royalties were earned as of April 30, 2025 and the balance of $193,507 (2024 - $284,462) is recorded as deferred royalties on the statement of financial position.

Services agreement
Effective May 1, 2024, the Organization entered into a one-year services agreement with JUMP Math Spain for the development of the JUMP Math Digital Platform. Expenditures totaling $1,048,641 (2024 - $Nil) were paid to JUMP Math Spain pursuant to this agreement and have been reflected in the balance of the intangible asset - JUMP Math Digital Platform on the statement of financial position.

Loan receivable
During the 2024 fiscal year, the Organization entered into a loan agreement with JUMP Math Spain totaling $450,000 of which $370,000 was advanced as of April 30, 2024. The remaining $80,000 was advanced as of April 30, 2025. The loan bears interest at 3.6% per annum and is repayable in full at maturity date on February 28, 2026. Interest revenue of $15,960 (2024 - $1,500) was accrued as investment income during the year and has been reflected in the statement of operations.

Investment and influence
The Organization's equity interest in JUMP Math Spain totals 22.1% on a fully-diluted basis and two directors of the Organization serve as directors of JUMP Math Spain.

JUMP Math, Inc. ("JUMP Math U.S.")
Loan receivable
During the 2024 fiscal year, the Organization advanced $140,802 to JUMP Math U.S., an independent 501(c)(3) charitable organization in the United States with congruent objectives. The advance bore no interest and was repaid in full during the year.

Service agreement and influence
The Organization operates under a service agreement with JUMP Math U.S. whereby the Organization assists with administration, accounting services, marketing services and financial loans. One director of the Organization serves as a director of JUMP Math U.S.

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5. CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value 2025	Net book value 2024
	$	$	$	$
Leasehold improvements	48,592	10,530	**38,062**	256
Computer equipment	83,267	63,996	**19,271**	12,911
Furniture, fixtures & equipment	9,471	1,894	**7,577**	-
	141,330	76,420	**64,910**	13,167

6. BANK LINE OF CREDIT

The Organization has a revolving demand facility with a Canadian chartered bank to a maximum amount of $250,000, of which $200,000 was in use at year end. The revolving demand facility bears interest at the bank's prime lending rate plus 1.5% per annum. The revolving demand facility is secured by a general security agreement representing a first charge on all personal property of the Organization.

7. LOANS PAYABLE

The Organization held an impact investment loan from a Canadian charitable foundation in the amount of $400,000 to be specifically used towards pursuing the Organization’s growth strategy. The loan was unsecured and bore interest at 3% per annum, payable annually on each anniversary date of the loan. The loan was repaid in full during the year. Interest expense incurred during the year in relation to this loan totaled $1,500 (2024 - $6,000) and has been included in operating expenses.

During the 2024 fiscal year, the Organization received $200,000 under a revenue-based funding arrangement with University Technologies International Inc. ("UTI") for the purpose of the development of the Organization's digital platform. The Organization is required to repay a total of $300,000 to UTI at the earlier of a semi-annual sales-based payment calculated at rate of 1.75% of adjusted gross revenue or December 14, 2033. The principal outstanding as of April 30, 2025 totaled $149,707. Interest expense incurred during the year in relation to this loan totaled $11,741 (2024 - $13,405) and has been included in operating expenses.

Management estimates the current portion of the loan to be $50,000 based on projected revenue-based payments over the next 12 months. Interest of 18% may accrue on principal portion of calculated revenue-based payment if unpaid at its respective repayment date.

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7. LOANS PAYABLE (continued)

The estimated annual principal repayments are as follows:

	$
Cash repayment required within 12 months	**50,000**
Long term	
2027	**50,000**
2028	**49,707**
	99,707
	149,707

8. DEFERRED GRANTS

Deferred grants represents grants received for a specific purpose. This revenue will be recognized when grant specifications have been met. The continuity of deferred grants is as follows:

	Balance, beginning of year $	Amounts received $	Amounts recognized as revenue $	**Balance, end of year $**
Program				
Early Childhood Education	127,205	180,000	139,509	**167,696**
Tutoring Projects	248,045	460,453	552,115	**156,383**
Book Distribution	-	92,000	7,160	**84,840**
Indigenous Outreach	22,686	95,000	88,117	**29,569**
School Board Pilots	272,198	250,000	504,341	**17,857**
Digital Resources Development	1,499	30,000	31,499	**-**
	671,633	1,107,453	1,322,741	**456,345**

9. LEASE COMMITMENTS

The Organization's total obligations under various operating leases for premises and equipment are as follows:

	$
2026	**131,943**
2027	**131,346**
2028	**131,346**
2029	**131,346**
2030	**87,564**
	613,545

The Organization is also committed to its share of building operating and maintenance costs, including property taxes, over the term of the lease.

10. FINANCIAL INSTRUMENTS RISK EXPOSURE

The Organization is exposed to various risks through its financial instruments including credit risk, liquidity risk and market risk. The Organization has no changes in its risk exposure from the previous period.

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 Organization's financial assets that are exposed to credit risk consist primarily of accounts receivable and loans receivables. The Organization assesses, on a continuous basis, all amounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

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 liquidity risk primarily arising from its accounts payable and accrued liabilities and loans payable. The Organization expects to meet these obligations as they come due by generating sufficient cash flows from operations and by preparing budgets and cash forecasts to ensure it has sufficient funds to fulfill obligations.

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: currency risk, interest rate risk and other price risk.

10. FINANCIAL INSTRUMENTS RISK EXPOSURE (continued)

Market risk (continued)

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In the normal course of operations, the Organization receives grants and donations and incurs operating expenses dominated in U.S. dollars and Euros. Consequently, certain assets, liabilities and cash flows are exposed to foreign exchange fluctuations. The Organization has not hedged its exposure to foreign currency fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its loans payable and loans receivable. The Organization does not use derivative financial instruments to mitigate the effects of this risk.

Other price risk

Other price risk results from changes in market prices (other than those arising from currency risk or interest rate risk). The Organization is exposed to other price risk through its investments. The investments are exposed to economic changes and other fluctuations in domestic and global markets, as well as risks specific to issuers that may affect the market value of their securities. The Organization does not use derivative financial instruments to mitigate the effects of this risk.