

MISSION AVIATION FELLOWSHIP OF CANADA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

MISSION AVIATION FELLOWSHIP OF CANADA

INDEX TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

| | Page |
|--|--------|
| INDEPENDENT AUDITOR'S REPORT | 3 - 4 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 5 |
| Statement of Changes in Net Assets | 6 |
| Statement of Operations | 7 |
| Statement of Cash Flows | 8 |
| Notes to the Financial Statements | 9 - 13 |
| Schedule of Expenditures - Development, International Operations and Recruitment | 14 |
| Schedule of Expenditures - General Administration | 15 |
| Schedule of Expenditures - Fundraising Costs | 16 |



INDEPENDENT AUDITOR'S REPORT

To the Members of: Mission Aviation Fellowship of Canada

Qualified Opinion

We have audited the accompanying financial statements of Mission Aviation Fellowship of Canada, which comprise the statement of financial position as at September 30, 2022 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Mission Aviation Fellowship of Canada as at September 30, 2022 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 not for profit organizations, the organization derives some of its revenues from cash sources in the form of donations and fundraising activities, the completeness of which is not susceptible to 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 revenues, net surplus (deficit) for the year and cash flows from operations for the years ended September 30, 2022 and 2021, current assets as at September 30, 2022 and 2021, and net assets as at October 1 and September 30 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended September 30, 2021 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 Mission Aviation Fellowship of Canada 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 audit 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 a 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.

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 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 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.




Guelph, Ontario
March 10, 2023


Chartered Professional Accountants
Licensed Public Accountants

MISSION AVIATION FELLOWSHIP OF CANADA
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

| | 2022 | 2021 |
|-----------------------------------|----------------------|---------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 1,207,649 | \$ 689,220 |
| Investments | 3,208,872 | 2,427,217 |
| Accounts receivable | 18,452 | 26,342 |
| Government remittances receivable | 64,078 | 63,119 |
| Prepaid expenses | 171,854 | 120,588 |
| Due from MAF agencies | 54,531 | 258,236 |
| Assets held for sale (note 7) | <u>0</u> | <u>370,788</u> |
| | <u>4,725,436</u> | <u>3,955,510</u> |
| REMAINDER TRUST | 27,437 | 27,437 |
| CAPITAL ASSETS (note 4) | <u>5,677,851</u> | <u>4,133,397</u> |
| | <u>\$ 10,430,724</u> | <u>\$ 8,116,344</u> |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable | \$ 85,516 | \$ 63,817 |
| Government remittances payable | 66,781 | 85,709 |
| Due to MAF agencies | <u>104,788</u> | <u>139,343</u> |
| | <u>257,085</u> | <u>288,869</u> |
| NET ASSETS | | |
| EXTERNALLY RESTRICTED | | |
| Missionary fund | 165,889 | 217,893 |
| Special projects and programs | 2,337,253 | 2,002,223 |
| UNRESTRICTED | | |
| General mission purpose fund | 1,992,646 | 1,103,174 |
| Invested in capital assets | <u>5,677,851</u> | <u>4,504,185</u> |
| | <u>10,173,639</u> | <u>7,827,475</u> |
| | <u>\$ 10,430,724</u> | <u>\$ 8,116,344</u> |

APPROVED ON BEHALF OF THE BOARD

DocuSigned by:

 BEA31825E8D2427...

DocuSigned by:

 9F2C482A62D7490...

MISSION AVIATION FELLOWSHIP OF CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | MISSIONARY FUND | SPECIAL PROJECTS AND PROGRAMS | CAPITAL CAMPAIGN | GENERAL MISSION PURPOSE FUND | INVESTED IN CAPITAL ASSETS | TOTAL 2022 | TOTAL 2021 |
|---|------------------------------------|--|------------------------------------|---|---|-----------------------|-----------------------|
| | (Externally Restricted) | (Externally Restricted) | (Externally Restricted) | (Unrestricted) | (Unrestricted) | | |
| BALANCE, beginning of year | \$ 217,893 | \$ 2,002,223 | \$ 0 | \$ 1,103,174 | \$ 4,504,185 | \$ 7,827,475 | \$ 6,349,379 |
| REVENUES | | | | | | | |
| Contributions | 3,910,186 | 506,201 | 470,844 | 2,143,783 | 0 | 7,031,014 | 6,230,611 |
| Non-receipted income and interest | 679,599 | 218,644 | 1,276 | 487,468 | 0 | 1,386,987 | 1,047,291 |
| Gifts in kind (note 5) | 0 | 1,551,986 | 0 | 402,679 | 0 | 1,954,665 | 1,973,225 |
| | <u>4,589,785</u> | <u>2,276,831</u> | <u>472,120</u> | <u>3,033,930</u> | <u>0</u> | <u>10,372,666</u> | <u>9,251,127</u> |
| EXPENSES | <u>4,139,269</u> | <u>947,614</u> | <u>44,107</u> | <u>3,057,545</u> | <u>0</u> | <u>8,188,535</u> | <u>7,602,968</u> |
| SURPLUS (DEFICIT) FROM OPERATIONS BEFORE OTHER ITEMS | <u>450,516</u> | <u>1,329,217</u> | <u>428,013</u> | <u>(23,615)</u> | <u>0</u> | <u>2,184,131</u> | <u>1,648,159</u> |
| OTHER ITEMS | | | | | | | |
| AIRCRAFT AMORTIZATION | 0 | 0 | 0 | 0 | (191,097) | (191,097) | (89,650) |
| GAIN ON DISPOSAL OF CAPITAL ASSETS | 0 | 0 | 0 | 0 | 269,621 | 269,621 | 0 |
| GAIN (LOSS) ON EXCHANGE AND INVESTMENTS | <u>0</u> | <u>0</u> | <u>0</u> | <u>83,509</u> | <u>0</u> | <u>83,509</u> | <u>(80,413)</u> |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>83,509</u> | <u>78,524</u> | <u>162,033</u> | <u>(170,063)</u> |
| NET SURPLUS for the year | <u>450,516</u> | <u>1,329,217</u> | <u>428,013</u> | <u>59,894</u> | <u>78,524</u> | <u>2,346,164</u> | <u>1,478,096</u> |
| TRANSFER OF OTHER AMORTIZATION | 0 | 0 | 0 | 141,414 | (141,414) | 0 | 0 |
| OTHER TRANSFERS BETWEEN ACCOUNTS (note 2 (d)) | <u>(502,520)</u> | <u>(994,187)</u> | <u>(428,013)</u> | <u>688,164</u> | <u>1,236,556</u> | <u>0</u> | <u>0</u> |
| BALANCE, end of year | \$ <u>165,889</u> | \$ <u>2,337,253</u> | \$ <u>0</u> | \$ <u>1,992,646</u> | \$ <u>5,677,851</u> | \$ <u>10,173,639</u> | \$ <u>7,827,475</u> |

See notes to the financial statements

MISSION AVIATION FELLOWSHIP OF CANADA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | 2022 | 2021 |
|--|----------------------|---------------------|
| REVENUES | | |
| Donations | | |
| Missionary support | \$ 3,910,186 | \$ 3,701,106 |
| Special projects and programs | 506,201 | 565,031 |
| Capital campaign | 470,844 | 380,850 |
| General missions | 2,143,783 | 1,583,624 |
| Gifts in kind (note 5) | <u>1,954,665</u> | <u>1,973,225</u> |
| | 8,985,679 | 8,203,836 |
| Program fees | 30,000 | 30,000 |
| Interest | 12,125 | 12,125 |
| Other revenue and non-receipted donations | <u>1,344,862</u> | <u>1,005,166</u> |
| | <u>10,372,666</u> | <u>9,251,127</u> |
| EXPENDITURES | | |
| Missionary support | 4,139,269 | 3,892,133 |
| Special projects and programs | 947,614 | 801,156 |
| Capital campaign fundraising costs | 44,107 | 20,441 |
| Development, international operations and recruitment (schedule 1) | 1,025,498 | 929,084 |
| General administration (schedule 2) | 1,093,300 | 1,140,340 |
| Fundraising costs (schedule 3) | <u>938,747</u> | <u>819,814</u> |
| | <u>8,188,535</u> | <u>7,602,968</u> |
| SURPLUS FROM OPERATIONS | <u>2,184,131</u> | <u>1,648,159</u> |
| OTHER | | |
| Aircraft amortization | (191,097) | (89,650) |
| Gain on disposal of capital assets | 269,621 | 0 |
| Gain (loss) on exchange and investments | <u>83,509</u> | <u>(80,413)</u> |
| | <u>162,033</u> | <u>(170,063)</u> |
| NET SURPLUS FOR THE YEAR | 2,346,164 | 1,478,096 |
| NET ASSETS, beginning of year | <u>7,827,475</u> | <u>6,349,379</u> |
| NET ASSETS, end of year | <u>\$ 10,173,639</u> | <u>\$ 7,827,475</u> |

MISSION AVIATION FELLOWSHIP OF CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | 2022 | 2021 |
|--|---------------------|--------------------|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | |
| Net surplus for the year | \$ 2,346,164 | \$ 1,478,096 |
| Items not requiring an outlay of cash | | |
| Amortization | 332,511 | 223,642 |
| Gain on disposal of capital assets | <u>(269,621)</u> | <u>0</u> |
| | 2,409,054 | 1,701,738 |
| Changes in non-cash working capital | | |
| Accounts receivable | 7,890 | 56,825 |
| Government remittances receivable | (959) | (9,500) |
| Prepaid expenses | (51,266) | 102,440 |
| Due from MAF agencies | 203,705 | (235,678) |
| Accounts payable | 21,699 | 4,414 |
| Due to MAF agencies | (34,555) | 36,503 |
| Government remittances payable | <u>(18,928)</u> | <u>22,455</u> |
| | <u>2,536,640</u> | <u>1,679,197</u> |
| CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | | |
| Additions to capital assets net of disposals | (1,864,844) | (3,020,288) |
| Investments | (781,655) | 1,086,531 |
| Proceeds to program reserves | <u>628,288</u> | <u>0</u> |
| | <u>(2,018,211)</u> | <u>(1,933,757)</u> |
| NET INCREASE (DECREASE) IN CASH | 518,429 | (254,560) |
| NET CASH, BEGINNING OF YEAR | <u>689,220</u> | <u>943,780</u> |
| NET CASH, END OF YEAR | <u>\$ 1,207,649</u> | <u>\$ 689,220</u> |

MISSION AVIATION FELLOWSHIP OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. PURPOSE OF THE ORGANIZATION

Mission Aviation Fellowship (MAF) of Canada is a national corporation providing aviation and communications service to local churches, missions and non-government organizations in developing countries of the world. It is also a registered charitable organization and, as such, is exempt from income taxes under provisions of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the unrestricted general mission purpose fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the unrestricted general mission purpose fund when received or receivable and collection is reasonably assured. The government wage subsidy is recorded in the appropriate fund where the corresponding payroll expenditure is recorded in the period for which it was received.

Interest income is recognized in the period the related investment accrues interest and other revenue is recognized when earned and collection is reasonably assured.

The organization leases aircraft under operating lease agreements. Revenue generated from the operating lease of the aircraft is determined quarterly and recognized based on the actual flight hours incurred over the period.

(b) FUND ACCOUNTING

The organization has the following funds:

Unrestricted general mission purpose fund

The unrestricted general mission purpose fund reports resources available for the organization's general operating activities.

Externally restricted missionary fund

This pooled missionary fund reports resources that are to be expended on the support of missionaries. This fund is externally restricted.

Externally restricted special projects and programs

The special projects and programs fund reports contributions that are to be expended on projects and programs, as directed by the donors, and they have been set up by the Mission Aviation Fellowship of Canada board and management. This fund is externally restricted.

Externally restricted capital campaign fund

The capital campaign fund reports contributions that are to be expended on the purchase of new aircraft. This fund is externally restricted.

MISSION AVIATION FELLOWSHIP OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) REMAINDER TRUST

The organization accounts for its remainder trust at management's best estimate of the present value of future cash flows.

(d) INTERFUND TRANSFERS

Restricted Funds make transfers to the Unrestricted General Missions based on a set formula and can be reduced at the Board of Director's discretion.

(e) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

| | |
|--|--------------------------------|
| Office equipment | - 4 years straight line basis |
| Computer | - 3 years straight line basis |
| Vehicle | - 3 years straight line basis |
| Aircraft | - 20 years straight line basis |
| Leasehold improvements | - 10 years straight line basis |
| Applications | - 3 years straight line basis |
| Aircraft and equipment held for leasing purposes | - 20 years straight line basis |

Amortization is recorded at 50% of the above rates in the year of addition provided the capital asset is put into use.

(f) USE OF ESTIMATES

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of estimates relate to the useful life of capital assets, the valuation of the remainder trust and the valuation of prepaid expenses. Actual results could differ from those estimates.

(g) FINANCIAL INSTRUMENTS

Measurement of 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 financial liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in net surplus.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The 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 net surplus.

MISSION AVIATION FELLOWSHIP OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) FINANCIAL INSTRUMENTS (continued)

Transaction costs

The organization recognizes its transaction costs in net surplus in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(h) CONTRIBUTED SERVICES AND IN KIND DONATIONS

During the year, a number of organizations and individuals may donate materials to the organization and a number of volunteers may contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements.

Contributed assets and materials used in the normal course of operations, are recognized in the financial statements as gifts in kind when the fair value can be reasonably estimated.

(i) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(j) FOREIGN OPERATIONS, ASSETS AND MEASUREMENT UNCERTAINTY

The organization follows the policy of expensing all costs for overseas operations (other than aircraft) and expensing property and equipment through special projects and programs expenditures, unless these amounts represent advances which are to be repaid. This policy is based upon the practice that such assets, while generally deployable under the direction of the organization, are not always accessible for redeployment due to foreign property titling regulations, international fund transfer and foreign currency and exchange limitations. Accordingly, these assets and operations are not included in the financial statements.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2022 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

Currency risk

Currency risk refers to the risk that the fair value of the financial instruments or future cash flows associated with them will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The organization is exposed to foreign exchange rate risk on their cash in the amount of \$556,706 (2021 - \$18,217) and on their investments in the amount of \$276,359 (2021 - \$1,271,726), denominated in Canadian dollars.

MISSION AVIATION FELLOWSHIP OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

3. FINANCIAL INSTRUMENTS (continued)

The organization is exposed to foreign exchange rate risk on their due from (to) MAF agencies, in the following currencies, denominated in Canadian dollars:

| | 2022 | 2021 |
|----------------------|-------------|-------------|
| United States dollar | \$ (11,973) | \$ 213,230 |

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the organization not being able to liquidate assets in a timely manner at a reasonable price.

The organization meets its liquidity requirements by preparing and monitoring operational budgets and cash flows, and holding assets that can be readily converted to cash.

4. CAPITAL ASSETS

| | Cost | Accumulated Amortization | Net 2022 | Net 2021 |
|--|---------------------|-------------------------------------|---------------------|---------------------|
| Office equipment | \$ 149,053 | \$ 123,521 | \$ 25,532 | \$ 56,458 |
| Computer | 172,618 | 104,352 | 68,266 | 61,879 |
| Vehicle | 79,508 | 79,508 | 0 | 17,039 |
| Aircraft | 3,670,714 | 447,226 | 3,223,488 | 3,598,649 |
| Leasehold improvements | 541,798 | 174,388 | 367,410 | 399,372 |
| Applications | 50,528 | 0 | 50,528 | 0 |
| Aircraft and equipment held for leasing purposes | <u>2,183,396</u> | <u>240,769</u> | <u>1,942,627</u> | <u>0</u> |
| | <u>\$ 6,847,615</u> | <u>\$ 1,169,764</u> | <u>\$ 5,677,851</u> | <u>\$ 4,133,397</u> |

5. GIFTS IN KIND

During the year, the following gifts in kind were received:

| | 2022 | 2021 |
|-------------------------------------|---------------------|---------------------|
| Shares of publicly traded companies | \$ 1,954,625 | \$ 1,970,225 |
| Non shares | <u>40</u> | <u>3,000</u> |
| | <u>\$ 1,954,665</u> | <u>\$ 1,973,225</u> |

The fair value of the contributed assets was recorded in the financial statements of the organization as gifts in kind.

6. BANK INDEBTEDNESS

The organization has utilized \$0 (2021 - \$0) of an authorized credit card with a limit up to a maximum of \$200,000 and has utilized \$0 (2021 - \$0) of an authorized non-revolving lease facility by way of leases for an aircraft purchase with a limit up to a maximum of \$1,500,000. The non-revolving lease bears no interest on the Canadian dollar account. The non-revolving lease is secured by a general security agreement. The company anticipates it will not utilize the non-revolving lease in 2023. No conditions regarding this loan have been breached at year end and no accrued interest relating to this loan is owing.

MISSION AVIATION FELLOWSHIP OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

7. ASSETS HELD FOR SALE

In the prior year, the organization listed its 1985 Cessna 208 aircraft, which had a net book value of \$370,788, for sale. A purchase agreement for \$550,000 USD was executed in September 2021 and the purchaser provided a \$50,000 USD deposit to the escrow agent. The closing date of this transaction, was March 1, 2022. A gain on its disposal of \$269,621 was recorded in the year.

8. COMMITMENTS

The organization has various operating leases with annual payments as follows:

| | |
|------|-------------------|
| 2023 | \$ 125,147 |
| 2024 | 125,147 |
| 2025 | 110,680 |
| 2026 | <u>63,068</u> |
| | <u>\$ 424,042</u> |

9. OTHER TRANSFERS BETWEEN ACCOUNTS

In the prior year, the general mission purpose fund transferred of \$1,180,514 to the capital campaign fund to offset the deficit in the capital campaign fund and bring the balance in the fund to nil. The capital campaign is still underway. In the current year, the capital campaign fund transferred the current year surplus of \$428,013 back to the general fund in fiscal 2022 to partially reimburse the general fund for the 2021 shortfall in the capital campaign fund. At year end, the general mission purpose fund has transferred a net of \$752,501 to the capital campaign fund in order to reduce its deficit since inception to nil. The capital campaign was completed in fiscal 2022.

MISSION AVIATION FELLOWSHIP OF CANADA**SCHEDULE OF EXPENDITURES - DEVELOPMENT, INTERNATIONAL
OPERATIONS AND RECRUITMENT***(Schedule 1)***FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | 2022 | 2021 |
|---|---------------------|-------------------|
| Advertising | \$ 44 | \$ 394 |
| Conference and special events | 16,478 | 2,034 |
| Consulting and counselling | 17,784 | 6,077 |
| General office | 1,245 | 16,718 |
| Ignite - innovation and technology global | 8,084 | 82,711 |
| Insurance | 12,303 | 7,735 |
| IT software and domain fees | 16,916 | 22,830 |
| Payroll and benefits | 825,778 | 724,744 |
| Phone | 4,829 | 4,827 |
| Postage and courier | 949 | 487 |
| Printing and stationery | 2,978 | 1,312 |
| Promotional materials | 2,483 | 261 |
| Public relations | 8,164 | 11,322 |
| Subscriptions, memberships and library | 5,542 | 12,592 |
| Technical evaluations | 6,534 | 3,613 |
| Training | 29,148 | 15,354 |
| Travel | 64,403 | 14,122 |
| Vehicle | <u>1,836</u> | <u>1,951</u> |
| | <u>\$ 1,025,498</u> | <u>\$ 929,084</u> |

MISSION AVIATION FELLOWSHIP OF CANADA**SCHEDULE OF EXPENDITURES - GENERAL ADMINISTRATION****(Schedule 2)****FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | 2022 | 2021 |
|---|---------------------|---------------------|
| Advertising | \$ 2,821 | \$ 5,923 |
| Amortization | 141,414 | 133,992 |
| Audit and legal | 25,810 | 18,193 |
| Board meetings | 4,974 | 3,512 |
| Conference and special events | 2,432 | 0 |
| Consulting and counselling | 22,826 | 5,804 |
| Contributions - CCCC | 6,500 | 0 |
| General office | 42,483 | 37,194 |
| Insurance | 17,937 | 18,439 |
| IT software and domain fees | 62,204 | 72,234 |
| Non-cash donations | 40 | 3,000 |
| Office equipment repair and maintenance | 19,624 | 15,167 |
| Payroll and benefits | 475,835 | 550,598 |
| Phone | 29,176 | 20,802 |
| Postage and courier | 6,852 | 22,198 |
| Printing and stationery | 6,394 | 8,221 |
| Promotional materials | 704 | 0 |
| Property and rentals | 124,313 | 130,385 |
| Public relations | 6,225 | 3,205 |
| Service charges | 69,620 | 74,465 |
| Subscriptions, memberships and library | 9,753 | 10,580 |
| Training | 5,513 | 4,558 |
| Travel | 9,458 | 1,870 |
| Vehicle | <u>392</u> | <u>0</u> |
| | <u>\$ 1,093,300</u> | <u>\$ 1,140,340</u> |

MISSION AVIATION FELLOWSHIP OF CANADA
SCHEDULE OF EXPENDITURES - FUNDRAISING COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

(Schedule 3)

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Advertising | \$ 39,917 | \$ 70,021 |
| Audio visual resource | 1,164 | 0 |
| Conference and special events | 13,312 | 844 |
| Consulting and counselling | 51,860 | 36,136 |
| General office | 4,508 | 8,254 |
| IT software and domain fees | 45,176 | 33,357 |
| Payroll and benefits | 616,801 | 581,567 |
| Phone | 3,554 | 4,135 |
| Postage and courier | 48,793 | 30,279 |
| Printing and stationery | 50,601 | 36,218 |
| Promotional materials | 9,697 | 2,841 |
| Public relations | 5,433 | 1,527 |
| Subscriptions, memberships and library | 2,027 | 5,979 |
| Training | 172 | 310 |
| Travel | <u>45,732</u> | <u>8,346</u> |
| | <u>\$ 938,747</u> | <u>\$ 819,814</u> |