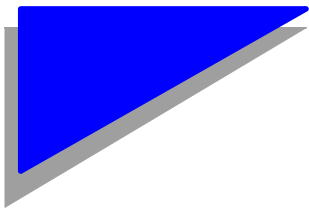


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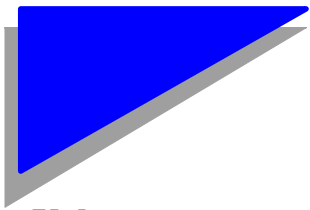
MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Financial Statements
Year Ended February 28, 2019



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MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
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Year Ended February 28, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Missions Festival (Missions Fest) Society

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Missions Festival (Missions Fest) Society (the Organization), which comprise the statement of financial position as at February 28, 2019, and the statements of operations, changes in 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at February 28, 2019, 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 revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses, cash flows from operations, and fund balances as at February 28, 2019.

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 those 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.

INDEPENDENT AUDITOR'S REPORT (*continued*)

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to 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.

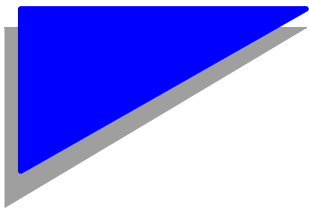
Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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 judgment 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 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.



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INDEPENDENT AUDITOR'S REPORT *(continued)*

Other Matters

The financial statements for the year ended February 28, 2019 were audited by another accounting firm and are presented for comparative purposes only.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Vancouver, BC
May 9, 2019

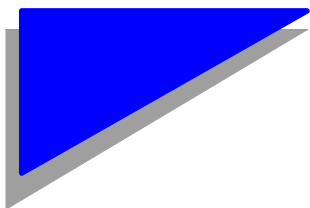
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MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Statement of Operations
Year Ended February 28, 2019

	2019	2018
REVENUE		
Conference revenue <i>(Schedule 1)</i>	\$ 369,336	\$ 354,631
Non-conference revenue <i>(Schedule 2)</i>	<u>199,333</u>	<u>176,139</u>
	568,669	530,770
 COST OF SALES <i>(Schedule 3)</i>	 <u>238,494</u>	 <u>225,081</u>
 GROSS MARGIN <i>(58.06%; 2018 - 57.59%)</i>	 <u>330,175</u>	 <u>305,689</u>
 EXPENSES		
Advertising and printing	24,612	34,159
Amortization	10,619	3,894
Bank charges	9,719	11,661
Communications	16,434	7,558
Non-conference special events	2,055	6,192
Office and other expenses	25,700	20,851
Office Rent	14,275	18,625
Professional fees	18,035	15,331
Salaries and benefits <i>(Note 7)</i>	<u>187,866</u>	<u>202,600</u>
	<u>309,315</u>	<u>320,871</u>
 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	 <u>\$ 20,860</u>	 <u>\$ (15,182)</u>

MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Statement of Changes in Fund Balances
Year Ended February 28, 2019

	Unrestricted Fund	Investment in equipment	2019	2018
FUND BALANCES - BEGINNING OF YEAR	\$ (114,781)	\$ 18,061	\$ (96,720)	\$ (81,538)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	20,860	-	20,860	(15,182)
Investment in equipment and intangible assets	(10,702)	10,702	-	-
Amortization	10,619	(10,619)	-	-
FUND BALANCES - END OF YEAR	\$ (94,004)	\$ 18,144	\$ (75,860)	\$ (96,720)



Vohora LLP
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MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Statement of Financial Position
February 28, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 43,630	\$ 22,207
Prepaid expenses	<u>28,631</u>	<u>10,657</u>
	72,261	32,864
EQUIPMENT <i>(net of accumulated amortization) (Note 4)</i>	5,282	2,006
INTANGIBLE ASSETS <i>(net of accumulated amortization) (Note 5)</i>	<u>13,766</u>	<u>16,963</u>
	<u>\$ 91,309</u>	<u>\$ 51,833</u>
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities <i>(Note 6)</i>	\$ 72,899	\$ 35,451
Exhibitor deposits	<u>94,270</u>	<u>113,102</u>
	<u>167,169</u>	<u>148,553</u>
FUND BALANCES		
Unrestricted fund	(94,004)	(114,781)
Investment in equipment	<u>18,144</u>	<u>18,061</u>
	<u>(75,860)</u>	<u>(96,720)</u>
	<u>\$ 91,309</u>	<u>\$ 51,833</u>

COMMITMENTS *(Note 8)*

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Statement of Cash Flows
Year Ended February 28, 2019

	2019	2018 <i>(Restated)</i>
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 549,839	\$ 547,780
Cash paid to suppliers and employees	<u>(517,714)</u>	<u>(543,546)</u>
Cash flow from operating activities	<u>32,125</u>	4,234
INVESTING ACTIVITIES		
Purchase of equipment	(4,358)	-
Purchase of intangible assets	<u>(6,344)</u>	<u>(21,263)</u>
Cash flow used by investing activities	<u>(10,702)</u>	<u>(21,263)</u>
INCREASE (DECREASE) IN CASH FLOW	21,423	(17,029)
Cash - beginning of year	<u>22,207</u>	39,236
CASH - END OF YEAR	\$ 43,630	\$ 22,207
CASH CONSISTS OF:		
Cash	<u>\$ 43,630</u>	<u>\$ 22,207</u>

MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Notes to Financial Statements
Year Ended February 28, 2019

1. PURPOSE OF ORGANIZATION & CONTINUANCE OF OPERATIONS

Missions Festival (Missions Fest) Society (the "Organization") is a non-profit charitable society whose purpose is to provide a place for people to learn about various missions organizations and to assist people in finding a location to best use their time, talents, interests and abilities.

The Organization was incorporated as a registered charity in the Province of British Columbia, under the Society Act of British Columbia, on January 21, 1987. The organization is a Canadian registered charity as defined under the Income Tax Act and is exempt from paying income taxes.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations that are applicable to a going concern. Under the going concern assumption, an organization is viewed as being able to realize its assets and discharge its liabilities in the normal course of operations. Given the unstable financial position as at February 28, 2019, the Organization's ability to realize its assets and discharge its liabilities depends on the continued support from their donors. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

The Organization had an operating surplus of \$20,860 for 2019 and an operating deficiency of \$15,182 for 2018, and an accumulated deficit of \$75,860 as at February 28, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP). All figures are presented in Canadian dollars.

Revenue recognition

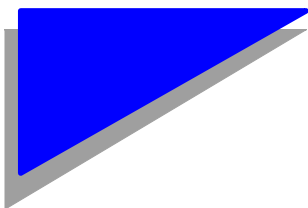
The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. General contributions are recognized as revenue when they are received or receivable if the amount to be received can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

Conference revenues include booth rentals, donations, ticket sales, transportation and program revenues. These revenues are recognized on a completed contract basis. Conference donations are recognized in the year they are received.

Non-conference revenues are recognized as follows:

- Church sponsorships are recognized as revenue in the year in which they are received.
- Advertising sales are recognized as revenue when the magazines are printed.
- Audio/video sales are recognized as revenue when the items are delivered to the customer.
- Special events and other revenues are recognized as revenue when the events are held.
- Non-conference donations are recognized in the year they are received.

(continues)



MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Notes to Financial Statements
Year Ended February 28, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equipment

Equipment is recorded at cost. Contributed equipment is recorded at the fair market value as of the date of the contribution. Amortization of the equipment is expensed at the following rate:

Office Equipment	20%	declining method
Computer Equipment	55%	declining method

Contributed services

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

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except any investments in equity instruments that are quoted in an active market that the company may hold, which are measured at fair value. Changes in fair value are recognized in net excess (deficiency) of revenue over expenses.

Financial assets measured at fair value include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost measured at cost are measured for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess (deficiency) of revenue over expenses. 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 excess (deficiency) of revenue over expenses.

Transaction costs

The organization recognizes its transaction costs in excess (deficiency) of revenue over expenses 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.

Intangible assets

The website is being amortized on a straight-line basis over their estimated useful life of three years.

(continues)

MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Notes to Financial Statements
Year Ended February 28, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Office equipment	\$ 40,687	\$ 36,416	\$ 4,271	\$ 2,006
Computer equipment	1,395	384	1,011	-
	\$ 42,082	\$ 36,800	\$ 5,282	\$ 2,006

5. INTANGIBLE ASSETS

	2019	2018
Website - cost	\$ 26,698	\$ 20,355
Accumulated amortization	(12,931)	(3,392)
	\$ 13,767	\$ 16,963

MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY
Notes to Financial Statements
Year Ended February 28, 2019

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Trade accounts payable	\$ 53,550	\$ 16,582
GST and PST payable	8,969	5,867
Accrued liabilities	10,380	8,000
Short term loans payable	-	5,000
	<u>\$ 72,899</u>	<u>\$ 35,449</u>

7. SALARIES AND BENEFITS

In accordance with the new B.C.'s Societies Act, the Organization is required to disclose information concerning remuneration in excess of \$75,000 paid to directors and employees.

During the fiscal year, the Organization paid the Executive Director remuneration of \$81,796 (2018: \$81,792). This amount is included in the salaries and benefit amount on the Statement of Operations.

There was no remuneration paid to the Organization's directors.

8. COMMITMENTS

Office Rent

The Organization rents office space from another charitable organization. The term of the lease will expire on May 31, 2019. The current rent paid is \$1,000 per month.

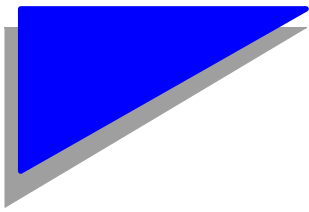
Vancouver Convention Centre

The Organization has committed to a license agreement with the Vancouver Convention Centre to use their premises on January 31, and February 1, 2020. The premises will be used to hold the annual event of Missions Fest. The organization has committed to the following deposit schedule:

	<u>Missions Fest</u> <u>2020</u>
September 28, 2018	\$ 5,936
January 29, 2019	17,807
August 2, 2019	17,807
December 30, 2019	17,807
Total license agreement	<u>\$ 59,357</u>

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



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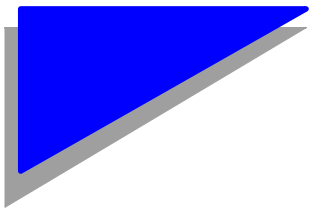
MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY

Conference revenue

(Schedule 1)

Year Ended February 28, 2019

	2019	2018
Booth rentals	\$ 296,526	\$ 270,058
Conference donations	41,916	48,157
Youth rallies - tickets	18,635	26,574
Transportation and parking	4,272	952
Film Festival tickets	3,187	4,745
Field trips and school programs	4,800	4,145
	\$ 369,336	\$ 354,631

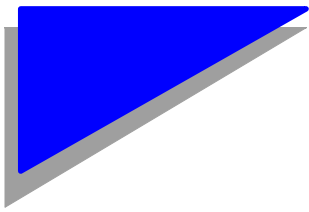


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MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY

Non-conference revenue (Schedule 2)
Year Ended February 28, 2019

	2019	2018
Non-conference donations	\$ 88,058	\$ 45,484
Church sponsorship	78,171	80,333
Advertising	30,065	37,432
Special events	1,443	174
Audio/video sales	765	2,056
Commission and rentals	651	655
Miscellaneous	180	1,061
Luncheons	-	8,944
	\$ 199,333	\$ 176,139



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MISSIONS FESTIVAL (MISSIONS FEST) SOCIETY

Cost of Sales

(Schedule 3)

Year Ended February 28, 2019

	2019	2018
Facilities rent	\$ 114,422	\$ 113,414
Audio, visual and lighting services	47,129	42,668
Conference travel and hospitality	26,615	23,255
Furnishing rentals	24,575	21,289
Honorariums and gifts	21,074	18,802
Volunteer appreciation	3,232	4,409
Decor and graphics	1,447	1,244
	<u>\$ 238,494</u>	<u>\$ 225,081</u>