

Financial Statements of
ABUNDANCE CANADA
January 31, 2023

Independent Auditor's Report

To the Board of Directors of
Abundance Canada

Opinion

We have audited the financial statements of Abundance Canada (the "Organization"), which comprise the statement of financial position as at January 31, 2023, and the statements of operations and unrestricted net assets, changes in net assets and cash flows for the 13 month period then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at January 31, 2023, and the results of its operations and its cash flows for the 13 month period then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 the financial statements in accordance with ASNPO, 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 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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
May 12, 2023


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ABUNDANCE CANADA
Statement of Financial Position
January 31, 2023

| | January 31, 2023 | December 31, 2021 |
|--|-----------------------|-----------------------|
| ASSETS | | |
| CASH | \$ 21,557,149 | \$ 11,161,947 |
| INVESTMENT INCOME RECEIVABLE | 622,860 | 450,578 |
| INVESTMENTS | | |
| Loans receivable | 12,662,468 | 16,362,997 |
| Cash and money market funds | 15,631 | 7,001,910 |
| Shares and equity mutual fund units | 69,307,965 | 62,543,847 |
| Bonds and fixed income mutual fund units | 133,928,273 | 143,935,940 |
| OTHER ASSETS (Note 3) | 113,121 | 120,769 |
| CASH SURRENDER VALUE OF LIFE INSURANCE (Note 4) | 1,665,161 | 1,765,628 |
| CAPITAL ASSETS (Note 5) | 214,992 | 414,500 |
| TOTAL ASSETS | \$ 240,087,620 | \$ 243,758,116 |
| LIABILITIES | | |
| ACCOUNTS PAYABLE (Note 6) | \$ 265,892 | \$ 228,378 |
| FUND EARNINGS PAYABLE | 2,990,325 | 2,401,022 |
| TOTAL LIABILITIES | 3,256,217 | 2,629,400 |
| COMMITMENTS (Note 11) | | |
| CAPITAL HELD FOR INVESTMENT | | |
| MANAGED TRUST FUNDS | 48,109,866 | 55,461,031 |
| NET ASSETS | | |
| Endowment funds (Note 7) | 34,690,121 | 36,049,986 |
| Other trust funds (Note 8) | 165,855,223 | 150,044,291 |
| Invested in capital assets (Note 5) | 214,992 | 414,500 |
| Internally restricted funds (Note 9) | 1,504,313 | 1,304,805 |
| Unrestricted | (13,543,112) | (2,145,897) |
| TOTAL NET ASSETS | 188,721,537 | 185,667,685 |
| TOTAL CAPITAL HELD FOR INVESTMENT | 236,831,403 | 241,128,716 |
| TOTAL LIABILITIES AND CAPITAL HELD FOR INVESTMENT | \$ 240,087,620 | \$ 243,758,116 |

APPROVED BY THE BOARD

 Director

 Director

ABUNDANCE CANADA**Statement of Operations and Unrestricted Net Assets**

13 month period ended January 31, 2023

| | January 31, 2023 <u>(13 months)</u> | December 31, 2021 <u>(12 months)</u> |
|---|---|--|
| INCOME | | |
| Investment and dividend income | \$ 4,705,474 | \$ 3,776,664 |
| Interest earned on loans | 635,453 | 757,633 |
| (Losses) gains allocated to trust fund agreements | (3,813,532) | 6,691,095 |
| | 1,527,395 | 11,225,392 |
| Other income | 701,473 | 780,517 |
| | 2,228,868 | 12,005,909 |
| EXPENSES | | |
| Earnings (received and receivable) paid and payable on trust and endowment fund accounts | (2,244,505) | 8,049,833 |
| Administration and other expenses (Schedule) | 4,200,726 | 3,623,412 |
| | 1,956,221 | 11,673,245 |
| OPERATING INCOME BEFORE UNREALIZED LOSSES | | |
| | 272,647 | 332,664 |
| Unrealized losses allocated to Abundance Canada operations (Note 12) | (11,669,862) | (4,329,680) |
| OPERATING DEFICIT FOR THE PERIOD | (11,397,215) | (3,997,016) |
| Add: Amortization expense borne by investment in capital assets | 212,048 | 215,370 |
| Less: Amounts transferred to other funds | (212,048) | (215,370) |
| NET DECREASE IN UNRESTRICTED NET ASSETS FOR THE PERIOD | (11,397,215) | (3,997,016) |
| UNRESTRICTED NET ASSETS, BEGINNING OF PERIOD | (2,145,897) | 1,851,119 |
| UNRESTRICTED NET ASSETS, END OF PERIOD | \$ (13,543,112) | \$ (2,145,897) |

ABUNDANCE CANADA
Statement of Changes in Net Assets
13 month period ended January 31, 2023

| | January 31, 2023 (13 months) | | | | | December 31, 2021 (12 months) | |
|---|------------------------------------|----------------------|-------------------------------|-----------------------|------------------------|-------------------------------------|-----------------------|
| | Internally Restricted Funds | Endowment Funds | Invested in Capital Assets | Other Trust Funds | Unrestricted | Total | Total |
| BALANCE, BEGINNING OF PERIOD | \$ 1,304,805 | \$ 36,049,986 | \$ 414,500 | \$ 150,044,291 | \$ (2,145,897) | \$ 185,667,685 | \$ 158,409,161 |
| OTHER FUND TRANSACTIONS FOR THE PERIOD | | | | | | | |
| Investment income including capitalized earnings | - | 1,276,223 | - | (57,278) | - | 1,218,945 | 5,369,613 |
| Unrealized losses attributed to trust funds | - | (3,447,065) | - | (1,456,108) | - | (4,903,173) | - |
| New gifts from donors | - | 224,344 | - | 65,125,545 | - | 65,349,889 | 65,601,695 |
| Gifts transferred from managed and other trust funds | - | 1,645,026 | - | (1,458,226) | - | 186,800 | 100,092 |
| Disbursements to charities | - | (1,058,393) | - | (46,242,534) | - | (47,300,927) | (39,856,225) |
| (Decrease) increase in cash surrender value of life insurance | - | - | - | (100,467) | - | (100,467) | 40,365 |
| OPERATING DEFICIT FOR THE PERIOD | - | - | - | - | (11,397,215) | (11,397,215) | (3,997,016) |
| TRANSFERS BETWEEN FUNDS | | | | | | | |
| Acquisitions of capital assets | (12,540) | - | 12,540 | - | - | - | - |
| Amortization expense for the period | - | - | (212,048) | - | 212,048 | - | - |
| Appropriations to/from unrestricted Fund | 212,048 | - | - | - | (212,048) | - | - |
| BALANCE, END OF PERIOD | \$ 1,504,313 | \$ 34,690,121 | \$ 214,992 | \$ 165,855,223 | \$ (13,543,112) | \$ 188,721,537 | \$ 185,667,685 |

ABUNDANCE CANADA
Statement of Cash Flows
13 month period ended January 31, 2023

| | January 31, 2023 <u>(13 months)</u> | December 31, 2021 <u>(12 months)</u> |
|--|---|--|
| OPERATING ACTIVITIES | | |
| Net decrease in unrestricted net assets for the period | \$ (11,397,215) | \$ (3,997,016) |
| Item not affecting cash: | | |
| Amortization | 212,048 | 215,370 |
| Unrealized loss allocated to trust funds | (4,903,173) | - |
| | <u>(16,088,340)</u> | <u>(3,781,646)</u> |
| Changes in non-cash operating working capital items: | | |
| Investment income receivable | (172,282) | 57,632 |
| Accounts payable | 37,514 | 14,577 |
| Fund earnings payable | 589,302 | 757,138 |
| Other assets | 7,648 | 31,046 |
| | <u>(15,626,158)</u> | <u>(2,921,253)</u> |
| INVESTMENT ACTIVITIES | | |
| Decrease in managed trust funds | (7,164,365) | (1,433,329) |
| New deposits to endowment fund and other trust funds | 65,349,889 | 65,601,695 |
| Capitalized earnings on funds | 1,218,945 | 5,369,613 |
| Disbursements paid to charities | (47,300,927) | (39,856,225) |
| | <u>12,103,542</u> | <u>29,681,754</u> |
| INVESTING ACTIVITIES | | |
| Acquisition of capital assets | (12,539) | (17,582) |
| Decrease in loans receivable | 3,700,529 | 3,771,452 |
| Decrease (increase) in money market funds, shares and equity mutual fund units | 222,161 | (26,616,228) |
| (Decrease) increase in bonds and fixed income mutual fund units | 10,007,667 | (13,132,063) |
| | <u>13,917,818</u> | <u>(35,994,421)</u> |
| NET INCREASE (DECREASE) IN CASH POSITION | 10,395,202 | (9,233,920) |
| CASH, BEGINNING OF PERIOD | 11,161,947 | 20,395,867 |
| CASH, END OF PERIOD | \$ 21,557,149 | \$ 11,161,947 |

ABUNDANCE CANADA

Notes to the Financial Statements

January 31, 2023

1. NATURE OF THE ORGANIZATION

Abundance Canada (the "Organization") was established by the Founding Mennonite Church Conferences in 1973 as a non-profit service agency to accumulate, manage and distribute financial resources exclusively for charitable purposes. The Organization is a registered charity and is classified as a public foundation for purposes of the Income Tax Act (Canada). The Organization had previously been operating as the Mennonite Foundation of Canada prior to changing its name.

The Organization manages investments and administers various types of funds as follows:

- Managed Trust Funds – Depositors may withdraw the principal amount at any time, with due notice. Investment earnings on these funds are paid to charities or depositors, at the discretion of the depositor of the funds.
- Other Trust Funds – Depositors gift the principal amount to the Organization. The earnings and principal are available for distribution to charities as advised by the donor.
- Endowment Funds – These funds are established from gifts by donors which are designated to remain under the Organization's management for at least ten years. Thereafter, the principal may be distributed to charity. Earnings on these funds are paid to charity or capitalized as advised by the donor.

During the period, the Organization changed its year-end from December 31 to January 31. Therefore, in the current period is a 13 month period ended on January 31, 2023.

2. 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) *Internally restricted funds*

The Organization maintains several internally restricted funds for use in operations or various programs based on the priorities identified by the Board of Directors of the Organization.

b) *Income and expense recognition*

The Organization uses the deferral method of accounting for contributions. Under this method endowment and other trust fund contributions and earnings are added directly to the Organization's net assets. Expenses are recorded on the accrual basis of accounting. Investment earnings are recorded in the statement of operations and unrestricted net assets as revenue of the unrestricted net assets. Fund earnings obligations, as set out in trust and endowment agreements between the Organization and the settlor or benefactor, are recognized in accordance with the terms of the agreements.

ABUNDANCE CANADA
Notes to the Financial Statements
January 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Capital assets

The Organization records its capital assets, consisting of furniture and fixtures, leasehold improvements, computers and office equipment, and computer software, at their historical cost. Amortization on all capital assets except leasehold improvements are provided for at rates ranging between 10% and 33%, calculated on a straight-line basis. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

d) Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially recognized at cost.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost except for the following:

- Investments in unlisted shares, which are measured at cost less any reduction for impairment;
- Investments in listed shares which are measured at fair value at the balance sheet date. The fair value of listed shares is based on the latest closing price, and the fair value quote received from the bank counterparty is used as a proxy for the fair value of derivative financial instruments.

Interest earned on short-term investments and bonds, dividends received on unlisted shares, unrealized gains and losses on listed shares, and realized gains and losses on sales of short-term investments and bonds are included in income in the statement of operations.

Transaction costs

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

ABUNDANCE CANADA
Notes to the Financial Statements
January 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Impairment

With respect to financial assets measured at cost or amortized cost, the Organization recognizes an impairment loss, if any, in net earnings when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

e) Bequests and other donations

Bequests and other donations are recorded when received.

f) Grant commitments

Grant commitments are recorded in the period grants are disbursed.

g) Cash surrender value of life insurance

The Organization is owner and beneficiary of donated life insurance policies where annual premiums are paid by benefactors of the Organization. These entitlements are recorded as assets at an amount equal to the cash surrender value of such life insurance policies.

h) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the valuation of investments and the useful life of fixed assets. Actual results could differ from these estimates.

3. OTHER ASSETS

| | January 31, <u>2023</u> | December 31, <u>2021</u> |
|--------------------|--|-----------------------------|
| Prepaid expenses | \$ 50,719 | \$ 81,378 |
| GST/HST receivable | 62,402 | 39,391 |
| | \$ 113,121 | \$ 120,769 |

ABUNDANCE CANADA
Notes to the Financial Statements
January 31, 2023

4. CASH SURRENDER VALUE OF LIFE INSURANCE

The Organization is the owner and capital beneficiary of donated life insurance policies with January 31, 2023 face values of \$14,911,796 (December 31, 2021 - \$15,876,796). The cash surrender value of these policies at January 31, 2023 is \$1,665,161 (December 31, 2021 - \$1,765,628).

5. CAPITAL ASSETS

| | January 31, 2023 | | | December 31, 2021 |
|-----------------------------------|-----------------------------|-----------------------------|-------------------|----------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Furniture and fixtures | \$ 196,085 | \$ 175,165 | \$ 20,920 | \$ 33,944 |
| Leasehold improvements | 331,626 | 296,319 | 35,307 | 44,651 |
| Computers and office equipment | 85,289 | 72,219 | 13,070 | 18,706 |
| Computer software | 1,715,040 | 1,569,345 | 145,695 | 317,199 |
| | \$ 2,328,040 | \$ 2,113,048 | \$214,992 | \$ 414,500 |

6. ACCOUNTS PAYABLE

Included in accounts payable at January 31, 2023 are government remittances payable of \$26,692 (December 31, 2021 - \$17,557).

7. ENDOWMENT FUNDS

The endowment funds of the Organization are comprised of the following:

| | January 31, 2023 | December 31, 2021 |
|--------------------------|-----------------------------|----------------------|
| Capital endowment funds | \$ 30,760,374 | \$ 33,183,354 |
| Abundance endowment fund | 3,929,747 | 2,175,842 |
| | \$ 34,690,121 | \$ 36,049,986 |

ABUNDANCE CANADA
Notes to the Financial Statements
January 31, 2023

8. OTHER TRUST FUNDS

The other trust funds are comprised of the following:

| | January 31, 2023 | December 31, 2021 |
|---|-----------------------------|----------------------|
| Irrevocable trust funds | \$ 52,639 | \$ 52,336 |
| Life interest funds | 7,192,006 | 7,136,148 |
| Gift annuity funds | - | 1,475 |
| Gifting and bequest funds | 156,945,417 | 141,088,704 |
| Cash surrender value of life insurance policies | 1,665,161 | 1,765,628 |
| | \$165,855,223 | \$150,044,291 |

9. INTERNALLY RESTRICTED FUNDS

Internally restricted funds are restricted for use in operations or various programs based on the priorities identified by the Board of Directors of the Organization.

10. FINANCIAL INSTRUMENTS

a) *Market Risk*

Market risk is the risk for potential financial loss to the Organization from changes in values of its financial instruments due to changes in interest rates or other price risk. The investments of the Organization are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes in the Organization's cash flows, financial position, and income. This risk arises from differences in the timing and amount of cash flows related to the Organization's assets.

The value of the Organization's assets are affected by nominal changes in interest rates and equity markets.

The term to maturity and related book values of cash and investments in money market funds, loans receivable and bonds, excluding shares and equity mutual funds, held by the Organization at January 31, 2023 are as follows:

| Rate on Face Value | Term | | | Total |
|-----------------------|----------------|------------|------------|----------------|
| | 0-5 years | 6-10 years | + 10 years | |
| 0.00-5.99% | \$ 161,023,593 | \$ - | \$ - | \$ 161,023,593 |
| 6.00-12.00% | 7,139,928 | - | - | 7,139,928 |

ABUNDANCE CANADA
Notes to the Financial Statements
January 31, 2023

10. FINANCIAL INSTRUMENTS (continued)

a) Market Risk (continued)

The Organization holds units in a bond mutual fund, a mortgage fund, equity mutual funds as well as shares, bonds and cash which have an aggregate fair value as at January 31, 2023 of \$224,809,018 (December 31, 2021 – \$224,643,644).

Earnings paid to managed trust, endowment funds and other trust funds are set at the Organization's pooled rate, less a fixed percentage for administration fees.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization is exposed to other price risk on its shares and equity mutual funds which fluctuate based on the quoted market price. The Organization's investment policy is to control equity price risk by maintaining a diversified portfolio.

b) Credit risk

Credit risk arises when a counterparty does not fully honor its financial or contractual obligations. The Organization has established credit and investment policies to mitigate this risk.

Credit risk is increased where a significant portion of the portfolio is invested in securities which have similar characteristics, or which are expected to follow similar variations relating to economic or political conditions. The risk of excess concentration is mitigated by an investment policy established by the Board of Directors, which sets out various investment thresholds.

11. COMMITMENTS

The Organization has commitments for leased premises to August 31, 2027 comprised of base rents plus a proportionate share of operating costs. The base rent commitments to lease expiry are \$165,426 with payment obligations over the next five years as follows:

| | |
|------|-----------|
| 2024 | \$ 78,509 |
| 2025 | 24,256 |
| 2026 | 24,256 |
| 2027 | 24,256 |
| 2028 | 14,149 |

ABUNDANCE CANADA
Notes to the Financial Statements
January 31, 2023

12. UNREALIZED LOSSES ALLOCATED TO ABUNDANCE CANADA OPERATIONS

Unrealized losses allocated to Abundance Canada operations represent the period over period change in value of Abundance Canada's externally managed fixed income portfolio. During the period, no investments from the managed fixed income portfolio were sold and there were no realized gains or losses.

13. CAPITAL MANAGEMENT

The Organization manages its capital held for investments according to the terms and restrictions of the donors and depositors who have placed funds with the Organization. The Organization's own capital, comprised of net assets invested in capital assets, internally restricted funds and unrestricted net assets, has accumulated from the excess of revenues over expenditures over the life of the Organization. The Organization's Board annually approves the Organization's operating plan which provides for a financial result that is modestly better than break-even, ignoring the impact of unrealized gains on investments accruing to the Organization's benefit. Capital management objectives, policies and procedures are unchanged since the preceding period.

ABUNDANCE CANADA

Schedule 1

**Schedule of Administration and Other Expenses
13 month period ended January 31, 2023**

| | January 31, 2023 | December 31, 2021 |
|---|-----------------------------|----------------------|
| | (13 months) | (12 months) |
| Salaries and benefits | \$ 2,328,342 | \$ 2,029,616 |
| Interest, bank charges, and investment management fees | 484,654 | 486,468 |
| Marketing and communication | 306,976 | 214,065 |
| Rent and common area costs | 215,831 | 186,825 |
| Amortization | 212,048 | 215,370 |
| Computer | 197,411 | 172,635 |
| Professional fees | 143,485 | 79,428 |
| Travel | 128,098 | 56,065 |
| Office | 81,333 | 72,648 |
| Staff development, memberships and subscriptions | 52,184 | 50,413 |
| Telephone | 34,456 | 48,707 |
| Insurance | 15,908 | 11,172 |
| | \$ 4,200,726 | \$ 3,623,412 |

ABUNDANCE CANADA
Statement of Operations by Period
13 month period ended January 31, 2023

Schedule 2

| | December 31, 2022 (12 months) | January 31, 2023 (1 month) | January 31, 2023 (13 months) |
|---|-------------------------------------|----------------------------------|------------------------------------|
| INCOME | | | |
| Investment and dividend income | \$ 4,207,088 | \$ 498,386 | \$ 4,705,474 |
| Interest earned on loans | 580,735 | 54,718 | 635,453 |
| Losses allocated to trust fund agreements | (860,933) | (2,952,599) | (3,813,532) |
| | 3,926,889 | (2,399,494) | 1,527,395 |
| Other income | 604,564 | 96,909 | 701,473 |
| | 4,531,453 | (2,302,585) | 2,228,868 |
| EXPENSES | | | |
| Earnings (received and receivable) paid and payable on trust and endowment fund accounts | 528,495 | (2,773,000) | (2,244,505) |
| Administration and other expenses | 4,046,129 | 154,597 | 4,200,726 |
| | 4,574,625 | (2,618,404) | 1,956,221 |
| OPERATING INCOME BEFORE UNREALIZED LOSSES | | | |
| | (43,172) | 315,819 | 272,647 |
| Unrealized (losses) gains allocated to | | | |
| Abundance Canada operations (Note 12) | (13,584,536) | 1,914,674 | (11,669,862) |
| OPERATING DEFICIT FOR THE PERIOD | (13,627,708) | 2,230,493 | (11,397,215) |