

**FUSION 3SIXTEEN INCORPORATED**  
**Financial Statements**  
**Year Ended December 31, 2021**

**FUSION 3SIXTEEN INCORPORATED**  
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**Year Ended December 31, 2021**

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**Rebryna Dana** LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS  
MANAGEMENT CONSULTANTS

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HBCom, CPA, CGA, MANAGING PARTNER    BBA, CPA, CGA, PARTNER    FCPA, FCGA, CFP, CAFM, ASSOCIATE    BBA, PBA, ASSOCIATE

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**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

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To the Board of Directors of Fusion 3Sixteen Incorporated

We have reviewed the accompanying financial statements of Fusion 3Sixteen Incorporated (the organization) that comprise the statement of financial position as at December 31, 2021, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility 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 (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.

*Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Fusion 3Sixteen Incorporated as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

*Other Matter*

The financial statements of Fusion 3Sixteen Incorporated for the year ended December 31, 2020 were compiled and are presented for comparative purposes only.

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\*\*\* Denotes A Professional Corporation

Slave Lake, Alberta  
June 8, 2022

*Rebryna Dana LLP*

REBRYNA DANA LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

**FUSION 3SIXTEEN INCORPORATED**  
**Statement of Financial Position**  
**December 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 13,294	\$ 11,857
Accounts receivable	10,120	-
	<b>23,414</b>	11,857
EQUIPMENT (Net of accumulated amortization) (Note 4)	1,066	-
<b>TOTAL ASSETS</b>	<b>\$ 24,480</b>	<b>\$ 11,857</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accruals	\$ 3,500	\$ -
Employee deductions payable	1,745	-
	<b>5,245</b>	-
<b>NET ASSETS</b>		
Unrestricted net assets	18,169	11,857
Invested in capital assets	1,066	-
	<b>19,235</b>	11,857
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 24,480</b>	<b>\$ 11,857</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**FUSION 3SIXTEEN INCORPORATED**  
**Statement of Revenue and Expenses**  
**Year Ended December 31, 2021**

	2021	2020
<b>REVENUES</b>		
Fusion Discipleship	\$ 20,000	\$ -
Fusion Kairos	27,144	8,207
Together With Hope	9,532	9,455
Fusion Morinville	6,672	1,152
FusionThrift Shop	2,500	-
Fusion Canada Jamaica	1,562	-
Fusion Wetaskiwin	400	1,850
Fusion Canada Publishing	288	1,065
Beaumont festival and other	-	3,328
	<b>68,098</b>	<b>25,057</b>
<b>EXPENSES</b>		
Accounting fees	1,355	1,030
Amortization	404	-
Consulting fees	2,293	3,500
Fusion Beaumont festival	-	3,476
Fusion Canada Jamaica	2,014	-
Fusion Discipleship	13,874	7,782
Fusion Kairos	32,764	-
Fusion Morinville Project	191	-
Fusion Wetaskiwin	135	1,016
Insurance	825	1,138
Interest and bank charges	278	249
Legal fees	1,447	-
Memberships	60	-
Office online support expenses	1,370	150
Office supplies and expenses	210	1,564
Professional fees	3,500	-
Travel	-	345
	<b>60,720</b>	<b>20,250</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>7,378</b>	<b>4,807</b>
<b>OTHER INCOME</b>	<b>-</b>	<b>6</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 7,378</b>	<b>\$ 4,813</b>

**FUSION 3SIXTEEN INCORPORATED**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2021**

	Unrestricted Net Assets	Invested in Capital Assets	2021	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 11,857	\$ -	<b>\$ 11,857</b>	\$ 7,044
EXCESS OF REVENUES OVER EXPENSES	6,312	1,066	<b>7,378</b>	4,813
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 18,169</b>	<b>\$ 1,066</b>	<b>\$ 19,235</b>	<b>\$ 11,857</b>

**FUSION 3SIXTEEN INCORPORATED**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 7,378	\$ 4,813
Item not affecting cash:		
Amortization of equipment	404	-
	<b>7,782</b>	<b>4,813</b>
Changes in non-cash working capital:		
Accounts receivable	(10,120)	-
Accounts payable and accruals	3,500	-
Goods and services tax payable	-	20
Employee deductions payable	1,745	-
	<b>(4,875)</b>	<b>20</b>
Cash flow from operating activities	<b>2,907</b>	<b>4,833</b>
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	(1,470)	-
<b>INCREASE IN CASH FLOW</b>	<b>1,437</b>	<b>4,833</b>
Cash - beginning of year	<b>11,857</b>	<b>7,024</b>
<b>CASH - END OF YEAR (Note 3)</b>	<b>\$ 13,294</b>	<b>\$ 11,857</b>

# FUSION 3SIXTEEN INCORPORATED

## Notes to Financial Statements

Year Ended December 31, 2021

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### 1. PURPOSE OF THE ORGANIZATION

Fusion 3Sixteen Incorporated (the "organization") is a not-for-profit organization of Alberta. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization operates to provide an effective and comprehensive program to address addiction and related issues affecting youth and adults by advancing, teaching, and preaching religious tenets, doctrines, observances and culture associated with the Christian Faith and providing other programs and services that results in men and women being restored as productive members of the Society.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

#### **Cash**

Cash represents cash on hand and in bank.

#### **Contributed services**

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### **Equipment**

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis.

The organization regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

#### **Financial instruments policy**

Financial instruments are recorded at fair value on initial recognition. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### **Measurement uncertainty**

When preparing financial statements according to ASNFP, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

*(continues)*

**FUSION 3SIXTEEN INCORPORATED**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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

Estimates are based on a number of factors including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, allowance for doubtful accounts, useful lives of capital assets, asset impairments, legal and tax contingencies, employee compensation plans, employee benefit plans, retained interest in securitized receivables, income taxes, and goodwill impairment.

**Net assets**

- a) Net assets invested in property and equipment represents the organization's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with restricted funds.
- b) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

**Revenue recognition**

Fusion 3Sixteen Incorporated follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**3. CASH**

	2021	2020
Cash	\$ 13,294	\$ 11,857

**4. EQUIPMENT**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	\$ 1,470	\$ 404	\$ 1,066	\$ -

# FUSION 3SIXTEEN INCORPORATED

## Notes to Financial Statements

Year Ended December 31, 2021

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### 5. FINANCIAL RISKS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2021.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

#### 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 rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate with respect to its bank deposits. Management is of opinion that its exposure to changes in interest rates is not significant.

### 6. RELATED PARTY TRANSACTIONS

Related parties of the organization are considered to be board members, the senior management team, and the staff of Fusion 3Sixteen Incorporated which have a direct impact on the daily operations of the organization. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and are in the normal course of operations.

The Charity has an outstanding agreement with Jamaica agency to carry out projects by providing theologically Christian-based education and practical training to support the reduction of poverty in Jamaica by empowering youths and their families. During the year, the Charity has provided \$2,014 in funding.

The Charity also has a memorandum of understanding with Kairos network to take four students designated by Fusion 3Sixteen Incorporated for an agreed cost per month until the duration of their educational journey. During the year, the Charity has provided \$10,020 for training.

### 7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors.