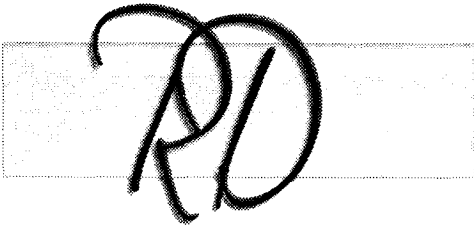


FUSION 3SIXTEEN INCORPORATED
Financial Statements
Year Ended December 31, 2022

FUSION 3SIXTEEN INCORPORATED
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Year Ended December 31, 2022

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Rebryna Dana LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
MANAGEMENT CONSULTANTS

Shane R. Rebryna* | Curtis A. Dana* | Gordon C. Ferguson* | Wayne L. MacIsaac
HBCert, CPA, CGA, MANAGING PARTNER BBA, CPA, CGA, PARTNER FCPA, FCGA, CFP, CAFM, ASSOCIATE BBA, PBA, ASSOCIATE

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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, 2022, 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Slave Lake, Alberta
May 15, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

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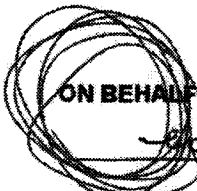



** Denotes A Professional Corporation

FUSION 3SIXTEEN INCORPORATED
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash (Note 3)	\$ 45,852	\$ 13,294
Accounts receivable	-	10,120
	45,852	23,414
EQUIPMENT (Net of accumulated amortization) (Note 4)	480	1,066
TOTAL ASSETS	\$ 46,332	\$ 24,480
LIABILITIES		
CURRENT		
Accounts payable and accruals	\$ 3,500	\$ 3,500
Employee deductions payable	1,544	1,745
	5,044	5,245
NET ASSETS		
Unrestricted net assets	40,808	18,169
Invested in capital assets	480	1,066
	41,288	19,235
TOTAL LIABILITIES AND NET ASSETS	\$ 46,332	\$ 24,480

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements
Rebryna Dana, Chartered Professional Accountants

FUSION 3SIXTEEN INCORPORATED
Statement of Revenue and Expenses
Year Ended December 31, 2022

	2022	2021
REVENUES		
Fusion Discipleship	\$ -	\$ 20,000
Fusion Kairos	10,878	27,144
Together With Hope	10,885	9,532
Fusion Morinville	1,500	6,672
Fusion Thrift Shoppe (Schedule 1)	171,729	2,500
Fusion Canada Jamaica	1,334	1,562
Fusion Wetaskiwin	700	400
Fusion Canada Publishing	3	288
Donations and Other revenue	5,167	-
	202,196	68,098
EXPENSES		
Accounting fees	3,450	1,355
Amortization	586	404
Book Purchases	253	-
Consulting fees	990	2,293
Fusion Canada Jamaica	1,334	2,014
Fusion Discipleship	10,284	13,874
Fusion Kairos	55,860	32,764
Fusion Morinville Project	-	191
Fusion Thrift Shoppe Expenses (Schedule 1)	99,937	-
Fusion Wetaskiwin	445	135
Insurance	1,098	825
Interest and bank charges	128	278
Legal fees	967	1,447
Memberships	-	60
Office online support expenses	1,202	1,370
Office supplies and expenses	118	210
Professional fees	3,491	3,500
	180,143	60,720
EXCESS OF REVENUES OVER EXPENSES	\$ 22,053	\$ 7,378

FUSION 3SIXTEEN INCORPORATED
Statement of Changes in Net Assets
Year Ended December 31, 2022

	Unrestricted Net Assets	Invested in Capital Assets	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 18,169	\$ 1,066	\$ 19,235	\$ 11,857
EXCESS OF REVENUES OVER EXPENSES	22,639	(586)	22,053	7,378
NET ASSETS - END OF YEAR	\$ 40,808	\$ 480	\$ 41,288	\$ 19,235

FUSION 3SIXTEEN INCORPORATED**Statement of Cash Flows****Year Ended December 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 22,053	\$ 7,378
Item not affecting cash:		
Amortization of equipment	586	404
	22,639	7,782
Changes in non-cash working capital:		
Accounts receivable	10,120	(10,120)
Accounts payable and accruals	-	3,500
Employee deductions payable	(201)	1,745
	9,919	(4,875)
Cash flow from operating activities	32,558	2,907
INVESTING ACTIVITY		
Purchase of equipment	-	(1,470)
INCREASE IN CASH FLOW	32,558	1,437
Cash - beginning of year	13,294	11,857
CASH - END OF YEAR (Note 3)	\$ 45,852	\$ 13,294

FUSION 3SIXTEEN INCORPORATED

Notes to Financial Statements

Year Ended December 31, 2022

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 ASNPO, 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, 2022

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, net 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

	2022	2021
Cash in bank	\$ 45,852	\$ 13,294

4. EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 1,470	\$ 990	\$ 480	\$ 1,066

FUSION 3SIXTEEN INCORPORATED

Notes to Financial Statements

Year Ended December 31, 2022

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, 2022.

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 \$1,334 (2021 - \$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 \$9,659 (2021 - \$10,020) for training.

7. APPROVAL OF FINANCIAL STATEMENTS

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

FUSION 3SIXTEEN INCORPORATED**Fusion Thrift Shoppe****(Schedule 1)****Year Ended December 31, 2022**

	2022	2021
REVENUE		
Fusion Thrift Shoppe	\$ 171,729	\$ 2,500
EXPENSES		
Bank charges	1,095	-
Business taxes and licenses	896	-
Employee benefits	2,603	-
Office and building expenses	50	-
Point of sale fees	1,106	-
Rent expenses	30,375	-
Retail enhancement expenses	300	-
Retail expenses	12,921	-
Salaries and wages	39,741	-
Thrift store expenses	918	-
Tenant insurance	2,102	-
WCB expense	1,277	-
Utilities expenses	5,487	-
Telephone expenses	1,066	-
	99,937	-
INCOME FROM OPERATIONS	\$ 71,792	\$ 2,500

See notes to financial statements

Rebryna Dana, Chartered Professional Accountants