

**Graceland Africa Mission
Financial Statements
December 31, 2022
(Unaudited)**

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AVARD LINDSAY HOLMBERG

LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent practitioner's review engagement report

To the Board of Directors of
Graceland Africa Mission

We have reviewed the accompanying financial statements of **Graceland Africa Mission** that comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets 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, 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.

In common with many not-for-profit organizations, Graceland Africa Mission, derives revenue from fundraising/donation activities that the completeness of which is not susceptible to satisfactory verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Graceland Africa Mission. Therefore we were not able to determine whether any adjustments might be necessary to fundraising revenue and the deficiency of revenue over expenses for the year ended December 31, 2022.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 **Graceland Africa Mission** as at December 31, 2022, and its results of operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Avard Lindsay Holmberg LLP
Chartered Professional Accountants
Licensed Public Accountants

Barrie, Ontario
March 13, 2023

Graceland Africa Mission

Statement of Operations

For the year ended December 31, 2022
(Unaudited)

	2022	2021
REVENUE		
Donations	\$ 54,991	\$ 65,386
EXPENDITURES		
Advertising and promotion	852	583
Amortization of tangible assets	357	510
Interest and bank charges	308	455
Memberships and licences	1,736	1,656
Office expenses	191	421
Professional fees	1,752	1,752
Scholarships	46,566	46,710
Program supplies	6,958	7,693
Travel	<u>1,268</u>	<u>1,431</u>
	<u>59,988</u>	<u>61,211</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ (4,997)</u>	<u>\$ 4,175</u>

See accompanying notes to the financial statements

Graceland Africa Mission
Statement of Changes in Net Assets

For the year ended December 31, 2022
(Unaudited)

	2022	2021
NET ASSETS, BEGINNING OF YEAR	\$ 13,234	\$ 9,059
(Deficiency) excess of revenue over expenditures for the year	<u>(4,997)</u>	<u>4,175</u>
NET ASSETS, END OF YEAR	<u>\$ 8,237</u>	<u>\$ 13,234</u>

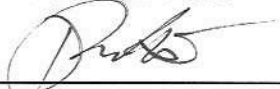
Graceland Africa Mission

Statement of Financial Position


As at December 31, 2022
(Unaudited)

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 8,904	\$ 13,545
Tangible capital assets (note 2)	<u>833</u>	<u>1,189</u>
	<u>\$ 9,737</u>	<u>\$ 14,734</u>
LIABILITY		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,500	\$ 1,500
NET ASSETS		
Fund balance at end of year	<u>8,237</u>	<u>13,234</u>
	<u>\$ 9,737</u>	<u>\$ 14,734</u>

On behalf of the Board



Director



Director

See accompanying notes to the financial statements

Graceland Africa Mission

Notes to the Financial Statements

December 31, 2022
(Unaudited)

1. Significant accounting policies

The charity applies the Canadian accounting standards for not-for-profit organizations.

(a) Purpose of the charity

Graceland Africa Mission (the Charity) is a charitable organization registered under the Income Tax Act and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. The organization was established to raise funds for the benefit of investments in people and communities in Kenya. Providing resources, education and/or training to empower people and enhance development.

(b) Basis of accounting

The financial statements were prepared using the Canadian accounting standards for not-for-profit organizations.

(c) Fund accounting

The Charity's operating fund reports the assets, liabilities, revenues and expenses for the Charity's program delivery and administration activities.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The charity provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Vehicle- 30%

One-half of annual amortization if recorded in the year of acquisition.

(e) Revenue recognition

The charity 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of tangible capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets. Externally restricted contributions for the purchase of tangible capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Grants are recognized as revenue when approved to the extent the related expenditures have been incurred and collection can be reasonably assured.
Donation revenue is recognized when it is received.

Graceland Africa Mission

Notes to the Financial Statements

December 31, 2022
(Unaudited)

1. Significant accounting policies, continued

(f) Contributed services

Directors and volunteers contribute their time to assist in the charity's activities. While these services benefit the charity considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(g) Financial instruments

The Charity's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related transaction costs. Transaction costs related to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Charity measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Charity uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash, prepaid expenses, accounts payable and accrued liabilities, and long-term debt.

For financial assets measured at cost or amortized cost, the Charity regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Charity determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

(h) Measurement uncertainty

The preparation of financial statements in conformity 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Graceland Africa Mission

Notes to the Financial Statements

December 31, 2022
(Unaudited)

2. Tangible capital assets

			2022	2021
	Cost	Accumulated amortization	Net	Net
Vehicle	\$ 16,990	\$ 16,157	\$ 833	\$ 1,189

3. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

Liquidity risk is the risk the charity may not be able to meet its obligations. The charity has a comprehensive plan in place to meet their obligations as they come due which is primarily from cash flow from operations.

(b) Foreign exchange risk

The charity is exposed to foreign exchange risk in Kenyan dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the charity by a donor, or that an obligation in a foreign currency was made to the charity to a supplier, is different at the time of settlement than it was at time that the obligation was determined. The charity reduces its exposure to foreign exchange risk by carefully monitoring exchange rates on obligations that are made by the charity. In the opinion of management the foreign exchange risk exposure to the company is low and is not material.
