

GENEROUS SPACE MINISTRIES

(Formerly known as New Directions for Life Ministries of Canada)

2017 FINANCIAL STATEMENTS

NETHERCOTT & COMPANY

Chartered Accountants

R. Bruce Nethercott
John M. Quigg
Paul W. B. Nethercott

250 Consumers Road, Suite 800
North York, Ontario M2J 4V6
Tel: 416-492-0514
Fax: 416-491-3668

INDEPENDENT AUDITOR'S REPORT

To the Directors
Generous Space Ministries

We have audited the accompanying financial statements of Generous Space Ministries, which comprise the statement of financial position as at March 31, 2017, the statement of income, expenditure and fund balance, the statement of changes in net assets and the statement of 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives income from contributions the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this income was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of income over expenditure, current assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Generous Space Ministries as at March 31, 2017, 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.



Chartered Accountants
Licensed Public Accountants

North York, Ontario
December 6, 2017

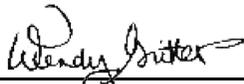
**GENEROUS SPACE MINISTRIES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017**

	<u>2017</u>	<u>2016</u> (Unaudited)
ASSETS		
Cash	\$ 99,737	\$ 42,116
HST recoverable	10,076	8,002
Prepaid expense	<u>9,575</u>	<u>30,990</u>
	<u>\$ 119,388</u>	<u>\$ 81,108</u>
 LIABILITIES AND FUND BALANCE		
Current		
Accounts payable and accrued liabilities	\$ 2,500	\$ 21,773
Deferred income	<u>32,160</u>	<u>20,666</u>
	34,660	42,439
FUND BALANCE	<u>84,728</u>	<u>38,669</u>
	<u>\$ 119,388</u>	<u>\$ 81,108</u>

Approved on behalf of the Board:



Director



Director

**GENEROUS SPACE MINISTRIES
STATEMENT OF INCOME, EXPENDITURE AND FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u> (Unaudited)
INCOME		
Contributions	\$ 195,421	\$ 164,130
Seminar	52,991	13,275
Fundraising events	18,429	-
Resource sales	3,502	3,241
Other	2,419	-
	<u>272,762</u>	<u>180,646</u>
EXPENDITURE		
Salaries and related costs	128,890	152,648
Seminars and conferences	51,584	3,264
Audit and legal	7,717	-
Interest and bank charges	7,545	5,391
Travel	7,431	11,110
Consulting	7,200	2,170
Insurance	3,152	3,240
Resource costs	2,811	430
Office	2,641	3,082
Telephone	2,180	2,674
Fundraising	1,364	1,913
Rent and facility costs	1,233	180
Public relations	1,179	992
Education and training	776	2,389
Postage	639	636
Website	361	215
Memberships	-	748
	<u>226,703</u>	<u>191,082</u>
NET EXCESS INCOME (EXPENDITURE) FOR YEAR	46,059	(10,436)
Fund balance, beginning of year	<u>38,669</u>	<u>49,105</u>
FUND BALANCE, END OF YEAR	<u>\$ 84,728</u>	<u>\$ 38,669</u>

**GENEROUS SPACE MINISTRIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u> (Unaudited)
CASH PROVIDED BY (USED FOR)		
Operating activities		
Net excess income (expenditure) for year	\$ 46,059	\$ (10,436)
Changes in non-cash working capital from the following:		
HST recoverable	(2,074)	(3,041)
Prepaid expense	21,415	(29,100)
Accounts payable and accrued liabilities	(19,273)	21,773
Deferred income	<u>11,494</u>	<u>20,666</u>
INCREASE (DECREASE) IN CASH FOR YEAR	57,621	(138)
Cash, beginning of year	<u>42,116</u>	<u>42,254</u>
CASH, END OF YEAR	<u>\$ 99,737</u>	<u>\$ 42,116</u>

**GENEROUS SPACE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

ORGANIZATION AND PURPOSE

Generous Space Ministries, formerly know as New Direction for Life Ministries of Canada, was incorporated November 1, 1990 under the Canada Corporations Act. The Organization is a registered charity with a tax-exempt status under the Income Tax Act and entitled to issue official receipts for donations received.

The purpose of the Organization is to offer support to people with sexual identity issues and to assist the church in their ministry in this area of need.

1. 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:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year when the related expenses are incurred. Unrestricted 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.

Resource sales income is recognized at the point of sale.

Seminar and event income is recognized as revenue in the year in which the related event occurs.

Contributed services

The Organization is dependent upon and thankful for the many hours contributed by its volunteers. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Cash and cash equivalents

The organization's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

Financial instrument measurement

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and HST recoverable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**GENEROUS SPACE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

1. 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

2. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, liquidity, credit or other price risks arising from these financial instruments.

The extent of the organization's exposure to these risks did not change in 2017 as compared to the previous period.

The organization does not have a significant exposure to any individual revenue source.

3. DEFERRED REVENUE

Deferred revenue represents funds received in the current year that relate to activities in the following year.

4. APPOINTMENT AS AUDITOR

Our appointment as auditor commenced in the current fiscal year. Therefore, our audit opinion does not extend to the comparative figures which were prepared under a Review Engagement Report dated September 28, 2016.