

**NEW DIRECTION FOR LIFE MINISTRIES OF CANADA**

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**2016 FINANCIAL STATEMENTS**  
**(Unaudited)**

**DRAFT**

**NETHERCOTT & COMPANY**

Chartered Accountants

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**REVIEW ENGAGEMENT REPORT**

To the Board of Directors  
NEW DIRECTION FOR LIFE MINISTRIES OF CANADA

We have reviewed the statement of financial position of NEW DIRECTION FOR LIFE MINISTRIES OF CANADA as at March 31, 2016 and the statement of operations and changes in net assets and statements of cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussions related to information supplied to us by the Organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants  
Licensed Public Accountants

North York, Ontario  
TO BE DATED UPON APPROVAL

**NEW DIRECTION FOR LIFE MINISTRIES OF CANADA  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2016  
(Unaudited)**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash	\$ 42,116	\$ 42,254
HST recoverable	8,002	4,961
Prepaid expense	<u>30,990</u>	<u>1,890</u>
	<u>\$ 81,108</u>	<u>\$ 49,105</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 21,773	\$ -
Deferred income	<u>20,666</u>	<u>-</u>
	42,439	-
<b>FUND BALANCE</b>	<u>38,669</u>	<u>49,105</u>
	<u>\$ 81,108</u>	<u>\$ 49,105</u>

Approved on behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**NEW DIRECTION FOR LIFE MINISTRIES OF CANADA  
STATEMENT OF INCOME, EXPENDITURE AND FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2016  
(Unaudited)**

	<u>2016</u>	<u>2015</u>
<b>INCOME</b>		
Contributions	\$ 164,130	\$ 156,265
Seminar	13,275	34,821
Resource sales	3,241	7,715
Fundraising events	-	12,240
Other	-	5,045
	<u>180,646</u>	<u>216,086</u>
<b>EXPENDITURE</b>		
Salaries and related costs	152,648	146,828
Travel	11,110	17,335
Interest and bank charges	5,391	5,852
Seminars and conferences	3,264	24,739
Insurance	3,240	3,146
Office	3,082	5,123
Telephone	2,674	2,881
Education and training	2,389	6,290
Consulting	2,170	9,757
Fundraising	1,913	2,745
Public relations	992	2,024
Memberships	748	-
Postage	636	1,572
Resource costs	430	14,876
Website	215	627
Rent and facility costs	180	3,433
Audit and legal	-	30
	<u>191,082</u>	<u>247,258</u>
<b>NET EXCESS INCOME (EXPENDITURE) FOR YEAR</b>	(10,436)	(31,172)
Fund balance, beginning of year	<u>49,105</u>	<u>80,277</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 38,669</u>	<u>\$ 49,105</u>

**NEW DIRECTION FOR LIFE MINISTRIES OF CANADA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2016  
(Unaudited)**

	<u>2016</u>	<u>2015</u>
<b>CASH PROVIDED BY (USED FOR)</b>		
Operating activities		
Net excess income (expenditure) for year	\$ (10,436)	\$ (31,172)
Changes in non-cash working capital from the following:		
HST recoverable	(3,041)	(631)
Prepaid expense	(29,100)	(94)
Accounts payable and accrued liabilities	21,773	
Deferred income	<u>20,666</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH FOR YEAR</b>	(138)	(31,897)
Cash, beginning of year	<u>42,254</u>	<u>74,151</u>
<b>CASH, END OF YEAR</b>	<u>\$ 42,116</u>	<u>\$ 42,254</u>

**NEW DIRECTION FOR LIFE MINISTRIES OF CANADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016  
(Unaudited)**

**ORGANIZATION AND PURPOSE**

New Direction for Life Ministries of Canada was incorporated November 1, 1990 under the Canada Corporations Act and assumed all assets and liabilities of the previously operated organization, New Beginnings Ministries. 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.

**NEW DIRECTION FOR LIFE MINISTRIES OF CANADA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016  
(Unaudited)**

**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 2016 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.