

THE BRUNSWICK STREET MISSION
Financial Statements
Year Ended December 31, 2015

THE BRUNSWICK STREET MISSION
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Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Directors of The Brunswick Street Mission

I have audited the accompanying financial statements of The Brunswick Street Mission, which comprise the statement of financial position as at December 31, 2015 and the statements of operations and net assets, 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, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

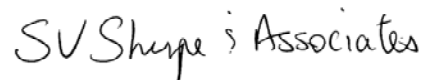
Basis for Qualified Opinion

In common with many charitable organizations, the company derives revenue from donations and fundraising the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the company and I was not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the contributions referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of The Brunswick Street Mission as at December 31, 2015 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.

Dartmouth, Nova Scotia
April 11, 2016



S V SHUPE & ASSOCIATES
Chartered Accountant

THE BRUNSWICK STREET MISSION
Statement of Operations and Net Assets
Year Ended December 31, 2015

	2015	2014
Receipts		
Donations	\$ 101,673	\$ 106,678
Fundraising	41,400	49,400
Community Services trusteeship fees	36,000	36,000
Division of Mission in Canada grants	35,000	55,000
Building rental and parking	28,220	28,790
Grants and other	17,112	31,816
Bequests	9,759	29,961
Investment income	272	221
	<u>269,436</u>	<u>337,866</u>
Expenditures		
Building occupancy (<i>Note 9</i>)	49,268	51,445
Fundraising	30,940	19,809
Office and administrative	14,700	13,835
Professional fees	5,137	5,651
Program	58,747	58,449
Salaries and wages	143,831	143,270
Telephone	3,960	3,902
	<u>306,583</u>	<u>296,361</u>
Excess of receipts (expenditures) for the year	\$ (37,147)	\$ 41,505

THE BRUNSWICK STREET MISSION
Statement of Financial Position
December 31, 2015

	2015	2014
ASSETS		
Current		
Cash	\$ 126,608	\$ 141,719
Accounts receivable	4,697	13,700
HST receivable	6,103	6,523
Prepaid expenses	-	1,287
	<u>137,408</u>	163,229
Term deposit (Note 4)	10,137	10,090
Assets held in trust (Note 7)	<u>5,236</u>	<u>3,066</u>
	\$ 152,781	\$ 176,385
LIABILITIES		
Current		
Accounts payable	\$ 19,553	\$ 7,967
Deferred receipts	9,950	10,163
	<u>29,503</u>	18,130
Mission trust liability (Note 7)	<u>5,236</u>	<u>3,066</u>
	<u>34,739</u>	<u>21,196</u>
NET ASSETS		
Unrestricted net assets	93,042	130,189
Contingency reserve (Note 8)	<u>25,000</u>	<u>25,000</u>
	<u>118,042</u>	<u>155,189</u>
	\$ 152,781	\$ 176,385

Contractual obligations (Note 10)

ON BEHALF OF THE BOARD

Director

Director

THE BRUNSWICK STREET MISSION
Statement of Changes in Net Assets
Year Ended December 31, 2015

	Unrestricted Fund	Contingency Reserve	2015	2014
Unrestricted net assets - beginning of year	\$ 130,189	\$ 25,000	\$ 155,189	\$ 113,684
Deficiency of receipts over expenditures	(37,147)	-	(37,147)	41,505
Unrestricted net assets - end of year	\$ 93,042	\$ 25,000	\$ 118,042	\$ 155,189

THE BRUNSWICK STREET MISSION
Statement of Cash Flows
Year Ended December 31, 2015

	2015	2014
Operating activities		
Cash received from contributions and receipts	\$ 278,226	\$ 326,168
Cash paid to suppliers and employees	(293,709)	(295,336)
Harmonized Sales Tax	419	4,702
Increase (decrease) in cash flow	(15,064)	35,534
Cash - beginning of year	151,809	116,275
Cash - end of year	\$ 136,745	\$ 151,809
CASH CONSISTS OF:		
Cash	\$ 126,608	\$ 141,719
Term deposit	10,137	10,090
	\$ 136,745	\$ 151,809

THE BRUNSWICK STREET MISSION

Notes to Financial Statements

Year Ended December 31, 2015

1. DESCRIPTION OF OPERATIONS

The Brunswick Street Mission is an unincorporated mission ministry operating out of the Brunswick Street United Church. The ministry is an "Outreach Ministry" of the Halifax Presbytery of the United Church of Canada.

The Mission is a registered charity under the Income Tax Act, as such is not subject to either federal or provincial income taxes.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (GAAP). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Capital assets

Organizations reporting under accounting standards for not-for-profits, and whose annual revenues are below \$500,000 can choose to expense capital items. As such, the organization chooses to expense capital items in the year which they are purchased.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. The carrying value of cash, accounts receivable, accounts payable, and deferred receipts approximates its fair value due to the immediate or short term maturity of these instruments. Financial instruments are tested for impairment at each reporting date with unrealized losses reported in income.

Revenue recognition

The Mission follows the deferral method of accounting for contributions. 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. Restricted contributions are not recognized as revenue until the restriction is met.

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THE BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2015

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

Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted fund.

The Contingency Reserve fund reports the assets, liabilities, revenues, and expenses related to The Brunswick Street Mission's Contingency Reserve.

Donated Materials and Services

Donated materials and services are not recognized in these financial statements.

4. TERM DEPOSIT

The term deposit is a non-redeemable Bank of Nova Scotia GIC bearing interest at 0.25% and maturing on January 2, 2016. The term deposit is held as security for a Bank of Nova Scotia credit card bearing interest at 19.99% with a limit of \$10,000.

5. DEFERRED RECEIPTS

	<u>2015</u>	<u>2014</u>
Trustee grant	\$ 9,000	\$ 9,000
Parking	950	900
Clothing program	-	263
	<u>\$ 9,950</u>	<u>\$ 10,163</u>

6. FINANCIAL INSTRUMENTS

The company 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 company's risk exposure and concentration as of December 31, 2015.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from contributors. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The association has a significant number of contributors which minimizes concentration of credit risk.

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THE BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2015

6. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its contributors and other related sources, payments for employee wages and government remittances, and other accounts payable.

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. The company is exposed to interest rate risk primarily through its fixed rate GIC and interest bearing credit cards.

7. MISSION TRUST LIABILITY

The Mission acts as trustee of social assistance entitlements paid to persons in need in accordance with section 10 of the Employment Support and Income Assistance Act of Nova Scotia. Cash received in trust is held until disbursed to the entitled individuals and is not the property of the Mission. As such, the receipts and disbursements of the trust are not reflected in the statement of operations or statement of cash flows.

8. CONTINGENCY RESERVE FUND

The Mission has established a Contingency Reserve fund with a transfer of \$25,000 from unrestricted net assets. The purpose of the fund is to help maintain services through difficult times or any unexpected event that negatively affects the finances of the Mission. The fund's cash will be maintained within the Mission's operating account.

9. BUILDING OCCUPANCY

	<u>2015</u>	<u>2014</u>
Rent	\$ -	\$ 4,202
Utilities	22,984	22,418
Repairs and maintenance	26,284	24,825
	<u>\$ 49,268</u>	<u>\$ 51,445</u>

THE BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2015

10. CONTRACTUAL OBLIGATIONS

The Mission has entered into a lease agreement with the Brunswick Street United Church regarding the usage of building and property at 2701 Brunswick Street in Halifax, Nova Scotia. The agreement outlines the financial obligations of the Mission which includes rent, utilities, and regular maintenance of the facilities. Rent has been waived for the current year. The agreement also grants the Mission the right to certain building rental and parking revenues derived from the property. The agreement can be terminated with two years notice by either party, and it will continue without change unless changes are mutually agreed on. The Brunswick Street United Church has waived rent payments for the remainder of the contract.