

THE BRUNSWICK STREET MISSION
Financial Statements
Year Ended December 31, 2016

THE BRUNSWICK STREET MISSION
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Year Ended December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Directors of The Brunswick Street Mission

We have audited the accompanying financial statements of The Brunswick Street Mission, which comprise the statements of financial position as at December 31, 2016 and December 31, 2015 and the statements of operations, changes in net assets and cash flows for the years ended December 31, 2016 and December 31, 2015, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

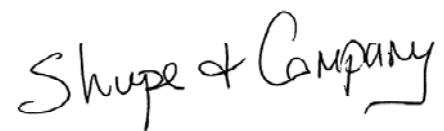
Basis for Qualified Opinion

In common with many charitable organizations, the Mission derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Mission and we were 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 our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves 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, 2016 and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Dartmouth, Nova Scotia
April 10, 2017



SHUPE & COMPANY
Chartered Professional Accountants
Licensed Public Accountants

THE BRUNSWICK STREET MISSION
Statement of Operations
Year Ended December 31, 2016

	2016	2015
Receipts		
Donations	\$ 175,214	\$ 101,673
Fundraising	44,000	41,400
Community Services trusteeship fees	36,000	36,000
Division of Mission in Canada grants	27,900	35,000
Building rental and parking	23,990	28,220
Grants and other	21,180	17,112
Bequests	-	9,759
	<u>328,284</u>	<u>269,164</u>
Expenditures		
Building occupancy (<i>Note 9</i>)	39,600	49,268
Fundraising	27,848	30,940
Office and administrative	14,019	14,700
Professional fees	6,914	5,137
Program	53,682	58,747
Salaries and wages	146,873	143,831
Telephone	4,156	3,960
	<u>293,092</u>	<u>306,583</u>
Excess (deficiency) of receipts over expenditures from operations	<u>35,192</u>	<u>(37,419)</u>
Other income		
Dividends and interest	5,799	272
Unrealized gains on marketable securities	359	-
	<u>6,158</u>	<u>272</u>
Excess (deficiency) of receipts over expenditures for the year	<u>\$ 41,350</u>	<u>\$ (37,147)</u>

THE BRUNSWICK STREET MISSION
Statement of Financial Position
December 31, 2016

	2016	2015
ASSETS		
Current		
Cash	\$ 160,688	\$ 126,608
Marketable securities	5,543	-
Accounts receivable	5,198	4,697
HST receivable	6,221	6,103
Prepaid expenses	1,081	-
	<u>178,731</u>	137,408
Cash held in trust (Note 7)	3,253	5,236
Term deposit (Note 4)	10,163	10,137
Inner City Mission investments (Note 11)	383,846	-
	<u>\$ 575,993</u>	<u>\$ 152,781</u>
LIABILITIES		
Current		
Accounts payable	\$ 26,269	\$ 19,554
Deferred receipts (Note 5)	9,000	9,950
	<u>35,269</u>	29,504
Mission trust liability (Note 7)	3,253	5,236
	<u>38,522</u>	34,740
NET ASSETS		
Unrestricted fund	134,391	93,041
Contingency fund (Note 8)	25,000	25,000
Inner City Mission endowment (Note 11)	378,080	-
	<u>537,471</u>	118,041
	<u>\$ 575,993</u>	<u>\$ 152,781</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE BRUNSWICK STREET MISSION
Statement of Changes in Net Assets
Year Ended December 31, 2016

	Unrestricted Fund	Contingency Fund	Inner City Mission Endowment	2016	2015
Net assets - beginning of year	\$ 93,041	\$ 25,000	\$ -	\$ 118,041	\$ 155,188
Excess of receipts over expenditures	41,350	-	-	41,350	(37,147)
Gift on dissolution of Inner City Mission	-	-	335,796	335,796	-
Unrealized gains on endowment assets	-	-	42,284	42,284	-
Net assets - end of year	\$ 134,391	\$ 25,000	\$ 378,080	\$ 537,471	\$ 118,041

THE BRUNSWICK STREET MISSION
Statement of Cash Flows
Year Ended December 31, 2016

	2016	2015
Operating activities		
Cash receipts from contributions and receipts	\$ 321,658	\$ 278,179
Cash paid to suppliers and employees	(287,460)	(293,709)
Harmonized Sales Tax	(118)	419
Increase (decrease) in cash flow	34,080	(15,111)
Cash - beginning of year	126,608	141,719
Cash - end of year	\$ 160,688	\$ 126,608

THE BRUNSWICK STREET MISSION

Notes to Financial Statements

Year Ended December 31, 2016

1. NATURE OF ACTIVITIES

The Brunswick Street Mission is an incorporated 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 (ASNFPO). 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. 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.

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THE BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2016

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

Revenue recognition

The Brunswick Street 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.

Endowment contributions are recognized as direct increases in net assets.

Fund accounting

The Brunswick Street Mission follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Fund and are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Endowment contributions are reported in the Endowment Fund as a direct increase in net assets of the fund. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund or Unrestricted Fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

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 3, 2017. 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>2016</u>	<u>2015</u>
Trustee grant	\$ 9,000	\$ 9,000
Parking	-	950
	<u>\$ 9,000</u>	<u>\$ 9,950</u>

THE BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2016

6. FINANCIAL INSTRUMENTS

The Mission 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 Mission's risk exposure and concentration as of December 31, 2016.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Mission 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 Mission has a significant number of contributors which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Mission 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.

(c) 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 Mission is exposed to interest rate risk primarily through its fixed rate GIC and interest bearing credit cards.

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Mission is exposed to other price risk through its investment in quoted shares.

Unless otherwise noted, it is management's opinion that the Mission is not exposed to significant other price risks arising from these financial instruments.

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.

THE BRUNSWICK STREET MISSION

Notes to Financial Statements

Year Ended December 31, 2016

8. CONTINGENCY RESERVE FUND

The contingency fund was established 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>2016</u>		<u>2015</u>
Utilities	\$ 20,356	\$	22,984
Repairs and maintenance	19,244		26,284
	<u>\$ 39,600</u>	\$	<u>49,268</u>

Included in repairs and maintenance was \$3,972 of tangible capital assets that have been expensed in accordance with the Mission's capital asset policy.

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.

11. INNER CITY MISSION ENDOWMENT

During the year, the Mission received an endowment contribution from the Inner City Mission on its dissolution. The capital of the endowment fund must be maintained on a permanent basis. Income and proceeds from the endowment may be used to further the objectives of the Brunswick Street Mission and the Inner City Mission.

The assets of the endowment are invested in marketable securities and mutual funds. The Mission's board of directors is developing an investment policy for the endowment assets.