

THE BRUNSWICK STREET MISSION
Financial Statements
Year Ended December 31, 2012

THE BRUNSWICK STREET MISSION
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Year Ended December 31, 2012

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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, 2012 and the statements of operations and 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 Mission 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 Mission 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, 2012 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.

Comparative Information

Without modifying my opinion, I draw attention to Note 4 to the financial statements which describes that The Brunswick Street Mission adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2011 and January 1, 2011 and the statements of operations and net assets and cash flows for the year ended December 31, 2011 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is unaudited.

SV Shupe & Associates

Dartmouth, Nova Scotia
April 8, 2013

S V SHUPE & ASSOCIATES
Chartered Accountant

THE BRUNSWICK STREET MISSION
Statement of Operations and Net Assets
Year Ended December 31, 2012

	2012	2011
Receipts <i>(Page 8)</i>	\$ 284,295	\$ 220,906
Program expenditures		
Benevolent	13,989	14,161
Drop in	15,820	20,316
Fundraising	30,267	15,882
Other program	11,804	8,131
Salaries and wages	112,444	116,437
	184,324	174,927
Administrative expenditures		
Bad debts	-	400
Building occupancy and maintenance	28,111	27,655
Office and administrative	10,528	11,396
Professional fees	5,541	4,830
Utilities and telephone	21,983	20,090
	66,163	64,371
Excess (deficiency) of receipts over expenditures for the year	\$ 33,808	\$ (18,392)
Unrestricted net assets - beginning of year	44,168	62,560
Unrestricted net assets - end of year	\$ 77,976	\$ 44,168

THE BRUNSWICK STREET MISSION
Statement of Financial Position
December 31, 2012

	<i>December 31</i> 2012	<i>December 31</i> 2011	<i>January 1</i> 2011
ASSETS			
Current			
Cash	\$ 85,914	\$ 42,859	\$ 68,026
Accounts receivable	14,967	9,465	8,861
Government recoveries	5,705	5,222	4,157
	106,586	57,546	81,044
Cash held in trust (Note 6)	4,429	26,416	29,067
	\$ 111,015	\$ 83,962	\$ 110,111
LIABILITIES			
Current			
Accounts payable	\$ 11,706	\$ 13,378	\$ 15,671
Deferred receipts	16,904	-	-
Due to Brunswick Street United Church	-	-	2,813
	28,610	13,378	18,484
Mission trust liability (Note 6)	4,429	26,416	29,067
	33,039	39,794	47,551
NET ASSETS			
Unrestricted net assets	77,976	44,168	62,560
	\$ 111,015	\$ 83,962	\$ 110,111

Contractual obligations (Note 7)

ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE BRUNSWICK STREET MISSION**Statement of Cash Flows****Year Ended December 31, 2012**

	2012	2011
Operating activities		
Cash received from contributions and receipts	\$ 295,697	\$ 219,902
Cash paid to suppliers and employees	(252,159)	(241,191)
Harmonized Sales Tax	(483)	(1,065)
	<u>43,055</u>	<u>(22,354)</u>
Financing activity		
Advances from (to) Brunswick Street United Church	-	(2,813)
	<u>43,055</u>	<u>(25,167)</u>
Increase (decrease) in cash flow	43,055	(25,167)
Cash - beginning of year	42,859	68,026
Cash - end of year	\$ 85,914	\$ 42,859

THE BRUNSWICK STREET MISSION

Notes to Financial Statements

Year Ended December 31, 2012

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

Changes in accounting policies - Canadian accounting standards for not-for-profit organizations

With regard to the Mission's transition from former Canadian generally accepted accounting principles (GAAP) to Canadian accounting standards for not-for-profit organizations (ASNPO), the Mission has made the following elections available under Canadian Institute of Chartered Accountants (CICA) Handbook Section 1501 of Canadian accounting standards for not-for-profit organizations:

Related party transactions

Handbook Section 3840, "Related party transactions", specifies that certain related party transactions shall be measured at the carrying amount and some at the exchange amount. However, under Handbook Section 1500 of Canadian accounting standards for not-for-profit organizations, the Mission is not required to restate assets or liabilities related to transactions with related parties when the related party transaction occurred prior to the date of transition to Canadian accounting standards for not-for-profit organizations. The Mission has used this election.

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

Capital items are expensed in the year which they are purchased.

(continues)

THE BRUNSWICK STREET MISSION

Notes to Financial Statements

Year Ended December 31, 2012

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

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.

Donated Materials and Services

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

4. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Mission adopted accounting standards for not-for-profit organizations. These financial statements are the first prepared in accordance with these standards. The adoption of ASNPO had no impact on net assets as at January 1, 2011 or operations and net assets or cash flows for the year ended December 31, 2011 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

5. 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, 2012.

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 association has a significant number of contributors which minimizes concentration of credit risk.

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.

THE BRUNSWICK STREET MISSION

Notes to Financial Statements

Year Ended December 31, 2012

6. 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.

7. 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. 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 minimum annual rent payments over the next two years are approximately as follows:

2013	\$	8,402
2014		8,654

THE BRUNSWICK STREET MISSION

Schedule of Receipts

Year Ended December 31, 2012

	2012	2011
Receipts		
Donations		
Mission	\$ 65,402	\$ 42,769
Benevolent program	8,426	5,293
Christmas program	3,349	4,784
Drop In program	3,781	2,471
Food bank program	400	200
	81,358	55,517
Division of Mission in Canada grants	58,000	55,000
Fundraising	63,484	50,838
Community Services trusteeship fees	33,368	27,820
Grants and other	34,145	16,321
Building rental and parking	13,940	15,410
	\$ 284,295	\$ 220,906