

BRUNSWICK STREET MISSION

Financial Statements

Year Ended December 31, 2023

BRUNSWICK STREET MISSION
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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Brunswick Street Mission

Qualified Opinion

We have audited the financial statements of Brunswick Street Mission (the Mission), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Mission as at December 31, 2023, 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.

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 for the years ended December 31, 2021 and 2020, and current assets and net assets as at December 31, 2021 and 2021. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Mission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Mission's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Mission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Mission's financial reporting process.

(continues)

Independent Auditor's Report to the Directors of Brunswick Street Mission (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Mission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Mission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Mission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dartmouth, Nova Scotia
April 23, 2024



SHUPE & COMPANY
Chartered Professional Accountants

BRUNSWICK STREET MISSION
Statement of Operations
Year Ended December 31, 2023

	2023	2022
Receipts		
Donations	\$ 374,999	\$ 398,953
Grants and other	113,390	117,908
Fundraising	45,236	52,721
Division of Mission in Canada grants	30,000	35,000
Building renovation grants	24,464	22,831
Building rental and parking	16,577	14,713
Community Services trusteeship fees	-	36,000
	<u>604,666</u>	<u>678,126</u>
Expenses		
Amortization	31,577	29,642
Building occupancy (Note 10)	53,142	47,583
Fundraising	31,430	38,407
Office and administrative	29,383	40,657
Professional fees	6,837	6,515
Program	119,522	142,087
Salaries and wages	444,722	360,934
Telephone	7,236	8,230
	<u>723,849</u>	<u>674,055</u>
Deficiency of receipts over expenditures from operations	<u>(119,183)</u>	4,071
Other income		
Dividends and interest	22,468	23,254
Realized and unrealized gains on unrestricted marketable securities	38,303	(39,129)
	<u>60,771</u>	<u>(15,875)</u>
Deficiency of receipts over expenses	<u>\$ (58,412)</u>	<u>\$ (11,804)</u>

BRUNSWICK STREET MISSION
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 105,692	\$ 140,456
Marketable securities	279,917	320,185
Accounts receivable	4,254	8,339
HST recoverable	9,997	11,869
	<u>399,860</u>	480,849
Capital assets (Net of accumulated amortization) (Note 4)	179,182	202,190
Restricted cash (Note 5)	10,405	10,404
Long term Investments	132,694	99,859
Cash held in trust (Note 8)	221	22,516
Inner City Mission investments (Note 12)	417,658	415,114
	<u>\$ 1,140,020</u>	<u>\$ 1,230,932</u>
LIABILITIES		
Current		
Accounts payable	\$ 14,853	\$ 14,578
Employee deductions payable	-	6,025
Deferred receipts (Note 6)	32,757	9,000
Due to Welcome Housing and Support Services (Note 8)	221	28,808
	<u>47,831</u>	58,411
Deferred receipts for capital (Note 6)	147,850	172,314
	<u>195,681</u>	230,725
NET ASSETS		
Unrestricted fund	470,349	527,024
Inner City Mission Endowment (Note 12)	417,658	415,114
Invested in capital assets	31,332	33,069
Contingency fund	25,000	25,000
	<u>944,339</u>	1,000,207
	<u>\$ 1,140,020</u>	<u>\$ 1,230,932</u>

ON BEHALF OF THE BOARD

David Griffiths

Director

Sundeep Chopra

Director

BRUNSWICK STREET MISSION
Statement of Changes in Net Assets
Year Ended December 31, 2023

	Unrestricted fund	Inner City Mission Endowment	Invested in capital assets	Contingency fund	2023	2022
Net assets - beginning of year (restated)	\$ 527,024	\$ 415,114	\$ 33,069	\$ 25,000	\$ 1,000,207	\$ 1,037,623
Deficiency of receipts over expenses	(51,299)	-	(7,113)	-	(58,412)	(11,804)
Transfers	(5,376)	-	5,376	-	-	-
Endowment contributions	-	-	-	-	-	500
Realized and unrealized gains (losses) on endowment assets	-	2,544	-	-	2,544	(26,112)
Net assets - end of year	\$ 470,349	\$ 417,658	\$ 31,332	\$ 25,000	\$ 944,339	\$ 1,000,207

See notes to financial statements

BRUNSWICK STREET MISSION
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
Operating activities		
Cash receipts from contributions	\$ 608,042	\$ 654,393
Dividends and interest	22,468	23,254
Cash paid to suppliers and employees	(698,021)	(652,644)
Harmonized Sales Tax	1,872	3,745
	<u>(65,639)</u>	<u>28,748</u>
Investing activities		
Purchase of capital assets	(8,569)	(13,142)
Proceeds from sale of marketable securities and long term investments	39,444	(46,945)
	<u>30,875</u>	<u>(60,087)</u>
Decrease in cash flow	(34,764)	(31,339)
Cash - beginning of year	<u>140,456</u>	<u>171,795</u>
Cash - end of year	\$ 105,692	\$ 140,456

BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2023

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 Region 15 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

Cash and cash equivalents

Cash includes cash held at Canadian financial institutions, gift cards donated to the mission, and cash equivalents. Cash equivalents are investments in short-term instruments and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than one year. Cash restricted for non-current purposes is shown separate from current assets.

Marketable securities and long term investments

Marketable securities consist primarily of equities, mutual funds and term deposits with maturity dates within one year of the balance sheet date or redeemable within the year. Because of the short term maturity of these investments, their carrying amount approximates fair value. Non-redeemable term deposits with maturity dates beyond one year are classified as long term investments.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Equipment and furniture	5 years
Computer equipment	3 years
Leasehold improvements	10 years

The Mission regularly reviews its capital assets to eliminate obsolete items.

Government grants and contributions received that are restricted for the purchase of capital assets are recorded as current deferred receipts until the funds are spent. When purchased, those restricted receipts are recorded as long term deferred receipts and are amortized over the life of the asset.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2023

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

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.

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.

Revenue recognition

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

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. Realized and unrealized gains on endowment assets are recorded as direct increases in the Endowment Fund. Interest, dividends, and mutual fund distributions earned on endowment assets are reported as income to the Unrestricted Fund.

Net assets invested in capital assets reports the purchases, disposals, amortization, long term restricted receipts, and gains or losses of capital assets of the Mission.

Donated Materials and Services

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

BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2023

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Equipment and furniture	\$ 45,197	\$ 19,209	\$ 25,988	\$ 25,322
Computer equipment	9,609	8,255	1,354	4,218
Leasehold improvements	208,103	56,263	151,840	172,650
	\$ 262,909	\$ 83,727	\$ 179,182	\$ 202,190

5. RESTRICTED CASH

A Scotiabank interest savings account is maintained as security for two Scotiabank credit cards bearing interest at 19.99% with a limit of \$10,000. The balance outstanding on the credit cards as at December 31, 2023 was \$3,166 (2022 - \$910).

6. DEFERRED RECEIPTS

	Deferred grants (current)	Deferred capital grants, net of amortization (long term)	Total for the year
Opening balance	\$ 9,000	\$ 172,314	\$ 181,314
Received during the year	36,425	-	36,425
Repayments	(9,000)	-	(9,000)
Earned	(3,668)	(24,464)	(28,132)
Balance, end of year	\$ 32,757	\$ 147,850	\$ 180,607

During the year, \$9,000 was disbursed back to the Department of Community Services, as part of a reimbursement of the trustee fees, which is now managed by Welcome Housing & Support Services (Note 8).

7. 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, 2023.

(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.

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BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2023

7. FINANCIAL INSTRUMENTS (*continued*)

(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) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Mission is mainly exposed to market risk on shares of marketable securities and mutual funds.

(d) 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 fixed rate GIC's and interest bearing credit cards.

(e) 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.

8. MISSION TRUST LIABILITY

The Mission acted 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.

In October of 2022, the mission passed responsibility of the trusteeship program to Welcome Housing & Support Services, a charity operating in Halifax Regional Municipality. As of December 31, 2023, The Mission is still receiving funds for entitled individuals and transferring the cash to Welcome Housing & Support Service for distribution.

9. 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.

BRUNSWICK STREET MISSION
Notes to Financial Statements
Year Ended December 31, 2023

10. BUILDING OCCUPANCY

	<u>2023</u>		<u>2022</u>
Utilities	\$ 24,236	\$	22,661
Repairs and maintenance	11,555		5,010
Waste removal	8,890		10,490
Snow Removal	8,461		9,422
	<u>\$ 53,142</u>	\$	<u>47,583</u>

11. 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 Brunswick Street United Church has waived rent payments for the remainder of the contract. 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.

12. INNER CITY MISSION ENDOWMENT

During 2016, 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. Included in dividends and interest income is \$12,361 (2022 - \$13,319) of unrestricted dividends and interest earned on endowment assets.

The assets of the endowment are invested in marketable securities, guaranteed investment certificates, and mutual funds. The Mission's board of directors has developed an investment policy to provide for the long term preservation of the fund, minimize risk through diversification, monitor and report performance regularly to the board, and provide a permanent consistent cash flow to the Mission to further its objectives.

BRUNSWICK STREET MISSION

2107 Brunswick St
Halifax, NS
B3K 2Y4

April 23, 2024

Confidential

Shupe & Company
202 Brownlow Avenue
Suite 605
Dartmouth Nova Scotia B3B 1T5

Attention: Mark C McLaughlin, CPA, CA

Re: December 31, 2023 year end

This representation letter is provided in connection with your audit of the financial statements of Brunswick Street Mission for the year ended December 31, 2023, for the purpose of you expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

Fraud and Non Compliance

We have disclosed to you:

(continued)

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

Related Parties

We have disclosed to you the identity of all of the Mission's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Contractual compliance

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

(continued)

Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

Financial instruments

We have properly recorded all financial assets of equity instruments quoted on an active market at fair value.

Off-balance sheet derivative financial instruments (e.g., futures, options and swaps), including outstanding commitments to purchase or sell securities, assets and/or commodities under forward placement and standby commitments, and information regarding the terms and conditions, interest rate risk, credit risk and foreign exchange risk of financial instruments held at period end have been properly recorded and, when appropriate, adequately disclosed within the financial statements. We confirm that the significant assumptions used in arriving at the fair values of financial instruments, as measured and disclosed (when required) in the financial statements, are reasonable and appropriate in the circumstances.

We have evaluated whether there are indicators of impairment for all financial assets measured at cost or amortized cost, and where there has been a significant adverse change in the expected timing or amount of future cash flows from a financial asset or group of similar financial assets, we have assessed whether a reduction in the carrying value is necessary.

When an impairment is necessary, the carrying amount of the asset, or group of assets, has been reduced to the highest of the cash flows expected to be generated by holding the asset, the amount that could be realized by selling the asset and the amount that the entity expects to realize by exercising any right to collateral held to secure repayment of the asset net of all costs necessary to exercise those rights. The amount of the decline in fair value has been included in net income in the period incurred.

Impairment of long-lived assets

We have evaluated long-lived assets for recoverability whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Management acknowledges that when the long-lived asset is not recoverable, an impairment loss is recognized in earnings at the amount by which the carrying amount exceeds its fair value.

Journal entries

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

Liabilities and contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

Long-term investments

All long-term investments owned by our Mission are recorded in the accounts. The long-term investments are valued using the equity method, and an appropriate impairment loss has been recognized in earnings when a significant adverse change in the expected timing or amount of future cash flows from investments has been identified. When the extent of such an impairment has decreased, a reversal of the previously recognized impairment loss has been recognized in earnings.

All income earned for the period ended December 31, 2023 on those long-term investments has been recorded in the accounts.

Material measurement uncertainties

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

Property, plant and equipment

Property, plant and equipment are recorded at cost. We have good and valid title to all items of property and equipment reflected in the accounts relating thereto, and there are no liens or encumbrances on our assets. During the period ended December 31, 2023, no material amounts relating to additions or improvements of property, plant and equipment were charged to expense. The provision for amortization is based on the cost and expected economic useful lives of the property using the declining balance method.

(continued)

The property, leasehold improvement and equipment accounts, and the related allowances for amortization have been adjusted for all important items of such assets that were idle, obsolete, sold, dismantled, abandoned or otherwise disposed of for the period ended December 31, 2023 and for all prior periods.

We have evaluated property, plant and equipment for recoverability in accordance with the provisions of the CPA Canada Handbook – Accounting, Part II, Section 3063 (Impairment of Long-Lived Assets). Impairment losses have been recognized in earnings when required.

Receivables

The accounts receivable reflected in the accounts constitute valid claims against customers and other debtors. They do not include amounts for goods shipped on consignment, approval or under repurchase commitments, or for goods shipped after December 31, 2023.

No abnormal returns have been made by customers since December 31, 2023 or are expected in respect of merchandise shipped prior to the close of business on December 31, 2023.

Receivables known to be uncollectible have been written off, and adequate provision has been made for anticipated adjustments or losses in connection with the collection of receivables.

Revenue recognition

We have recorded all revenue that met the following criteria:

- a. Persuasive evidence of an arrangement exists;
- b. Delivery has occurred, or services have been rendered;
- c. Price is fixed or determinable; and
- d. Collectability is reasonably assured.

Subsequent events

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

Proceeds of Crime (Money Laundering) and Terrorist Financing Act

We hereby acknowledge that Shupe & Company have made us aware of your legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize Shupe & Company to release and disclose information about Brunswick Street Mission as required by statute.

Acknowledged and agreed on behalf of Brunswick Street Mission by:

David Griffiths

Sundeep Chopra

David Griffiths, Director

Sundeep Chopra, Treasurer

April 23, 2024

April 23, 2024

Date signed

Date signed

April 2, 2024

Confidential

Brunswick Street Mission
2107 Brunswick St
Halifax NS B3K 2Y4

Attention: Sundeep Chopra, Treasurer

Re: Engagement letter

The Objective and Scope of the Review

You have requested that we review the general purpose financial statements of Brunswick Street Mission, which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. We are pleased to confirm our acceptance and our understanding of this review engagement by means of this letter (the "Engagement").

Our review will be conducted with the objective of expressing our conclusion on the financial statements. Our conclusion, if unmodified, will be in the form of "Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Brunswick Street Mission as at December 31, 2023, 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 (ASNPO)".

Our Responsibilities

We will conduct our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. We will perform procedures, primarily consisting of making inquiries of management and others within the entity (as appropriate) and applying analytical procedures, and evaluate the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated. These procedures are performed to enable us to express our conclusion on the financial statements in accordance with Canadian generally accepted standards for review engagements. The procedures selected will depend on what we consider necessary in applying our professional judgment, based on our understanding of Brunswick Street Mission and its environment, and our understanding of ASNPO and its application in the industry context.

A review is not an audit of the financial statements, therefore:

- a. There is a commensurate higher risk than there would be in an audit that any material misstatements that exist in the financial statements reviewed may not be revealed by the review, even though the review is properly performed in accordance with Canadian generally accepted standards for review engagements.
- b. In expressing our conclusion from the review of the financial statements, our report on the financial statements will expressly disclaim any audit opinion of the financial statements.

Reporting

Unless unanticipated difficulties are encountered, our report will be substantially in the following form contained in Appendix A to this letter.

...2

If we determine that a modification to our conclusion on the financial statements is necessary, we will discuss the reasons with you in advance.

Management's Responsibilities

Our review will be conducted on the basis that management and, where appropriate, those charged with governance / oversight acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with ASNPO.
- b. For the design and implementation of 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.
- c. To provide us with timely:
 - i. Access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
 - iii. Additional information that we may request from management for the purpose of review; and
 - iv. Unrestricted access to persons within Brunswick Street Mission from whom we determine it necessary to obtain evidence.

As part of our review, we will request from management *[and, where appropriate, those charged with governance]* written confirmation concerning representations made to us in connection with the review.

We will communicate any misstatements identified during the Engagement other than those that are clearly trivial. We will request that management correct all the misstatements communicated.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files may periodically be reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Brunswick Street Mission unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the Nova Scotia *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our review engagement report are solely for the use of Brunswick Street Mission and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our review engagement report, and we accept no responsibility for their use by any third party or any liability to anyone other than Brunswick Street Mission.

For greater clarity, our review will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our review engagement report should not be circulated (beyond Brunswick Street Mission) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Reproduction of Review Engagement Report

If reproduction or publication of our review engagement report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the review engagement report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have reviewed.

We are not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

Preparation of Schedules

We understand that you will prepare certain schedules and locate specified documents for our use before our Engagement is planned to commence on April 2, 2024.

The requested schedules and documents are as follows:

- a. Schedules and analyses; and
- b. Other specified documents.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or even withdraw from the Engagement.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

Other Services

In addition to the review services referred to above, we will, as allowed by the Nova Scotia *Code of Professional Conduct/Code of Ethics*, prepare other regulatory forms required by the Mission as agreed upon. Unless expressly agreed in a separate engagement letter, we will have no involvement with or responsibility for the preparation or filing of HST returns or any other (including foreign) information returns, source deductions, information returns, slips, elections, designations, certificates or reports. Management will, on a timely basis, provide the information necessary to complete the regulatory forms and will review and file them with the appropriate authorities on a timely basis.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Nova Scotia. The Province of Nova Scotia will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Accounting Advice

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

Brunswick Street Mission hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by Brunswick Street Mission, or its directors, officers, agents or employees, of any of the covenants or obligations of Brunswick Street Mission herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or the those charged with governance.

Limitation of Liability

Our aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to fees for services. Our liability shall be several and not joint and several. We shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date Brunswick Street Mission should have been aware of the potential claim. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Brunswick Street Mission of its obligations.

Costs of Responding to Government or Legal Processes

1.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party [*not less than 30 calendar days before the effective date of termination*]. If early termination takes place, Brunswick Street Mission shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the Engagement or are unable to come to a conclusion on the financial statements, we may withdraw from the Engagement before issuing a review engagement report, or we may issue a denial of assurance on the financial statements. If this occurs, we will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent reviews unless terminated by either party by written notice prior to the commencement of the subsequent review.

Other Terms of Engagement

In addition to the review services referred to above, we will, as allowed by the *Rules of Professional Conduct /Code of Ethics*, carry out such bookkeeping as we find necessary prior to the review of the financial statements; prepare your financial statements; and prepare any special reports as required. Management will provide the information necessary to complete the returns / reports and will file them with the appropriate authorities on a timely basis.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements of our review of the financial statements, including our respective responsibilities. We appreciate the opportunity of continuing to be of service to your Mission.

Yours very truly,
SHUPE & COMPANY

Shupe & Company

Stephen V Shupe, CPA, CA

Acknowledged and agreed to on behalf of Brunswick Street Mission by:

Sundeep Chopra

David Griffiths

Sundeep Chopra, Treasurer

David Griffiths, Director

2024/04/23

2024/04/23

Date signed

Date signed

Appendix A - Expected Form of Report

To the Members of Brunswick Street Mission

We have reviewed the accompanying financial statements of Brunswick Street Mission (the Mission) that comprise the statement of financial position as at December 31, 2023, and the statements of operations, 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 (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Brunswick Street Mission as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.