



St. Andrew Soup Kitchen Inc.
Financial Statements
December 31, 2018

St. Andrew Soup Kitchen Inc.

Contents

For the year ended December 31, 2018

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Management's Responsibility

To the Board of Directors of St. Andrew Soup Kitchen Inc.:

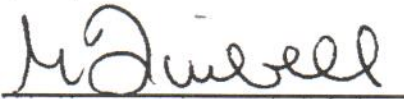
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 10, 2019



Executive Director

Independent Auditor's Report

To the Board of Directors of St. Andrew Soup Kitchen Inc.:

Qualified Opinion

We have audited the financial statements of St. Andrew Soup Kitchen Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and 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 Organization as at December 31, 2018, 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 Organization derives revenue from fundraising activities and donations from the general public, the completeness of which is not susceptible of satisfactory audit evidence. Accordingly, our evidence of those revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and assets for the years ended December 31, 2018 and 2017 and assets, liabilities and net assets as at December 31, 2018 and 2017. The audit opinion on the financial statements for the year ended December 31, 2017 was qualified accordingly because of the possible effects of the limitation in 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 Organization 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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 Organization'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 Organization'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 Organization 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.

Thunder Bay, Ontario

April 10, 2019

Chartered Professional Accountants

Licensed Public Accountants

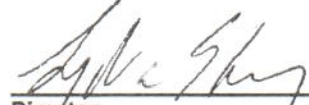
St. Andrew Soup Kitchen Inc.
Statement of Financial Position

As at December 31, 2018

	2018	2017
Assets		
Current		
Cash	355,334	347,806
Marketable securities (Note 3)	9,344	9,161
	364,678	356,967
Capital assets (Note 4)	26,394	31,267
	391,072	388,234
Liabilities		
Current		
Accounts payable and accruals	9,123	9,923
Net Assets		
Unrestricted	355,555	347,044
Invested in capital assets (Note 5)	26,394	31,267
	381,949	378,311
	391,072	388,234

Approved on behalf of the Board


 Director


 Director

The accompanying notes are an integral part of these financial statements

St. Andrew Soup Kitchen Inc.
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2018

	2018	2017
Revenue		
Bishop's Diocesan Ministry	10,000	10,000
Dew Drop Inn Memorial Fund	10,327	6,820
Fundraising events and programs	9,743	435
GST rebate	7,031	4,805
Gain on sale of donated securities	-	30
Hiring credit	-	421
Interest earned	1,522	575
Operating donations - Foundations	16,800	16,000
Operating donations - Individuals	96,813	93,956
Operating donations - Sector Appeals	87,600	100,922
United Way	9,982	18,283
	249,818	252,247
Expenses		
Amortization	6,736	8,123
Bank charges and interest	2,098	1,484
Building lease	1,200	1,200
Building repairs and maintenance	34,575	3,779
Equipment repairs and maintenance	1,706	1,866
Food expense	17,083	21,802
Fundraising expenses	4,823	5,015
Insurance	1,775	2,012
Licences and fees	14,400	14,600
Office expenses	4,789	4,340
Professional fees	4,026	3,978
Salaries, benefits and honoraria	116,978	122,133
Supplies	9,937	11,367
Travel	1,800	1,800
Utilities	19,889	19,862
Waste disposal	4,365	4,162
	246,180	227,523
Excess of revenue over expenses	3,638	24,724
Net assets, beginning of year	347,044	325,860
Change in invested in capital assets (Note 5)	4,873	(3,540)
Net assets, end of year	355,555	347,044

The accompanying notes are an integral part of these financial statements

St. Andrew Soup Kitchen Inc.
Statement of Cash Flows

For the year ended December 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Cash received from contributions	249,634	247,056
Cash receipts from unrestricted investment income	183	-
Cash paid for program service expenses	(123,265)	(93,498)
Cash paid for salaries and benefits	(116,978)	(122,133)
	9,574	31,425
Investing		
Purchase of marketable securities	-	(9,000)
Purchase of capital assets	(1,863)	(11,663)
Proceeds on disposition of investments	-	5,030
Increase in investment	(183)	-
	(2,046)	(15,633)
Increase in cash resources	7,528	15,792
Cash resources, beginning of year	347,806	332,014
Cash resources, end of year	355,334	347,806

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

The soup kitchen known as Dew Drop Inn was operated by St. Andrew's Roman Catholic Church since 1981. On June 6, 2008 St. Andrew Soup Kitchen Inc. ("the Organization") was incorporated in Ontario without share capital and became a registered charity March 18, 2009. The purpose of the Organization is to relieve poverty by operating a soup kitchen in the City of Thunder Bay, Province of Ontario, to feed hungry people. The Organization accomplishes this purpose by operating Dew Drop Inn at 292 Red River Road.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

Cash and cash equivalents

Cash is comprised of balances with chartered banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. They consist of guaranteed investment certificates which are all traded in the public markets. Changes in fair value are recorded immediately in the excess of revenue over expenses.

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Years
Computer equipment	straight-line	3 years
Furniture and fixtures	straight-line	5 years

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Contributed materials

Due to the difficulty of determining the fair value of contributed materials and services they are not recognized in the financial statements.

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Amortization is based on the estimated useful life of the capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

St. Andrew Soup Kitchen Inc.
Notes to the Financial Statements
For the year ended December 31, 2018

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

3. Marketable securities

	2018	2017
Scotiabank cashable guaranteed investment certificate, paying interest at 2.00% per annum, maturing February 2022 (cost - \$9,000; 2017 - \$9,000)	9,344	9,161

4. Capital assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	5,071	4,929	142	315
Furniture and fixtures	104,060	77,808	26,252	30,952
	109,131	82,737	26,394	31,267

5. Invested in capital assets

	2018	2017
Balance, beginning of year	31,267	27,727
Purchase of capital assets	1,863	11,663
Amortization of capital assets	(6,736)	(8,123)
Balance, end of year	26,394	31,267

6. Commitments

The Organization pays rent of \$100 per month (2017 - \$100) to St. Andrew's Roman Catholic Church to occupy the building at 292 Red River Road known as Dew Drop Inn. In addition, the Organization pays monthly fees of \$146 for office and equipment rental (2017 - \$146) and \$1,200 for bookkeeping services (2017 - \$1,200) to the church. The Organization has repaired the building over the past five years and expensed the cost of doing so.

7. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.