

St. Andrew Soup Kitchen Inc.
Financial Statements

December 31, 2019

St. Andrew Soup Kitchen Inc.

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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.

May 13, 2020



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, 2019, 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, 2019, 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, 2019 and 2018 and assets, liabilities and net assets as at December 31, 2019 and 2018. The audit opinion on the financial statements for the year ended December 31, 2018 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

May 13, 2020

MNP LLP

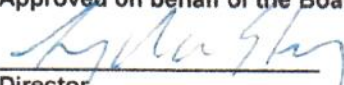
Chartered Professional Accountants

Licensed Public Accountants

St. Andrew Soup Kitchen Inc.
Statement of Financial Position
As at December 31, 2019

	2019	2018
Assets		
Current		
Cash	278,309	355,334
Marketable securities (Note 4)	100,447	-
	378,756	355,334
Capital assets (Note 5)	50,647	26,394
Investments (Note 4)	9,531	9,344
	438,934	391,072
Liabilities		
Current		
Accounts payable and accruals	13,122	9,123
Net Assets		
Unrestricted	375,165	355,555
Invested in capital assets (Note 6)	50,647	26,394
	425,812	381,949
	438,934	391,072

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, 2019

	2019	2018
Revenue		
Bishop's Diocesan Ministry	10,000	10,000
Dew Drop Inn Memorial Fund	9,950	10,327
Fundraising events and programs	18,103	9,743
GST rebate	7,478	7,031
Interest earned	2,428	1,522
Operating donations - Bequests	6,779	-
Operating donations - Foundations	27,000	16,800
Operating donations - Individuals	112,397	96,813
Operating donations - Sector Appeals	121,297	87,600
Special programs revenue	28,355	9,982
	343,787	249,818
Expenses		
Amortization	13,401	6,736
Bank charges and interest	2,056	2,098
Building lease	1,200	1,200
Building repairs and maintenance	24,929	34,575
Equipment repairs and maintenance	1,288	1,706
Food expense	13,114	17,083
Fundraising expenses	10,426	4,823
Insurance	1,881	1,775
Licences and fees	14,775	14,400
Office expenses	6,002	4,789
Professional fees	3,884	4,026
Salaries, benefits and honoraria	168,943	116,978
Supplies	10,582	9,937
Travel	1,800	1,800
Utilities	20,036	19,889
Waste disposal	5,607	4,365
	299,924	246,180
Excess of revenue over expenses	43,863	3,638
Net assets, beginning of year	355,555	347,044
Change in invested in capital assets (Note 6)	(24,253)	4,873
Net assets, end of year	375,165	355,555

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, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Cash received from contributions	343,151	249,634
Cash receipts from unrestricted investment income	634	183
Cash paid for program service expenses	(113,579)	(123,265)
Cash paid for salaries and benefits	(168,943)	(116,978)
	61,263	9,574
Investing		
Purchase of marketable securities	(100,000)	-
Purchase of capital assets	(37,654)	(1,863)
Increase in investment	(634)	(183)
	(138,288)	(2,046)
Increase (decrease) in cash resources	(77,025)	7,528
Cash resources, beginning of year	355,334	347,806
Cash resources, end of year	278,309	355,334

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.

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 4460 *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. Change in accounting policies

Capital Assets Held by Not-for-Profit Organizations

Effective January 1, 2019, the Organization adopted the Accounting Standard Board's (AcSB) new accounting standards improvements for not-for-profit organizations related to capital assets under Section 4433 *Tangible Capital Assets Held by Not-for-Profit Organizations*. Applying this new Section results in changes to the determination of impairment and write-downs of capital assets and allows for the recognition of partial impairments of these assets. There was no material impact on the financial statements from the application of the new accounting recommendations.

4. Marketable securities

	2019	2018
Scotiabank guaranteed investment certificate, paying interest at 2.00% per annum, maturing February 2022 (cost - \$9,000; 2018 - \$9,000)	9,531	9,344
Scotiabank cashable guaranteed investment certificate, paying interest at 1.99% per annum, maturing October 2020 (cost - \$100,000; 2018 - \$Nil)	100,447	-
	109,978	9,344
Less: current portion	100,447	-
	9,531	9,344

St. Andrew Soup Kitchen Inc.
Notes to the Financial Statements

For the year ended December 31, 2019

5. Capital assets

		Accumulated	2019	2018
	Cost	amortization	Net book value	Net book value
Computer equipment	6,619	5,859	760	142
Furniture and fixtures	140,167	90,280	49,887	26,252
	146,786	96,139	50,647	26,394

6. Invested in capital assets

	2019	2018
Balance, beginning of year	26,394	31,267
Purchase of capital assets	37,654	1,863
Amortization of capital assets	(13,401)	(6,736)
Balance, end of year	50,647	26,394

7. Commitments

The Organization pays rent of \$100 per month 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 and \$1,200 for bookkeeping services to the church. The Organization has contracted Equipment World to manufacture and install a receiving chute in 2020 at Dew Drop Inn building at a cost of \$6,885. The Organization has repaired the building over the past five years and expensed the cost of doing so.

8. 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.

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

St. Andrew Soup Kitchen Inc.
292 Red River Road
Thunder Bay, ON P7B 1A8

May 13, 2020

MNP LLP
210 - 1205 Amber Drive
Thunder Bay, ON P7B 6M4

To Whom It May Concern:

In connection with your audit of the financial statements of St. Andrew Soup Kitchen Inc. ("the Organization") as at December 31, 2019 and for the year then ended, we hereby confirm to the best of our knowledge and belief, the following representations made to you during the course of your audit.

We understand that your audit was made in accordance with Canadian generally accepted auditing standards. Accordingly, the audit included an examination of the accounting system, controls and related data, and tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances, for the purpose of expressing an opinion on the financial statements. We also understand that such an audit is not designed to identify, nor can it necessarily be expected to disclose, misstatements, non-compliance with laws and regulations, fraud or other irregularities, should there be any.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 21, 2020, for the preparation and fair presentation of the Organization's financial statements in accordance with Canadian accounting standards for not-for-profit organizations. We believe these financial statements are complete and present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and the results of its operations and its cash flows, in accordance with Canadian accounting standards for not-for-profit organizations.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements, and are reported in the appropriate period.
3. We acknowledge that we are responsible for the accounting policies followed in the preparation of the Organization's financial statements. Significant accounting policies, and any related changes to significant accounting policies, are disclosed in the financial statements. The selection of accounting policies is appropriate in accordance with the requirements of Canadian accounting standards for not-for-profit Organizations, and are applied consistently throughout the financial statements.
4. We have disclosed to you all significant assumptions used in making accounting estimates and judgments, and believe they are reasonable.
5. We are aware of and concur with the contents and results of the attached journal entries prepared by you, and accept responsibility for the financial statement effects of the entries.
6. 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.

7. All events or transactions that have occurred subsequent to the statement of financial position and for which Canadian accounting standards for not-for-profit Organizations require adjustment or disclosure have been adjusted or disclosed appropriately in the financial statements.
8. All plans or intentions that may affect the carrying value or classification of assets and liabilities are appropriately reflected in the financial statements in accordance with Canadian accounting standards for not-for-profit Organizations.
9. All liabilities, both known and contingent, requiring recognition or disclosure in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit Organizations have been adjusted or disclosed as appropriate.
10. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
11. All assets, wherever located, to which the Organization had satisfactory title at the year-end, have been fairly stated and recorded in the financial statements. The assets are free from hypothecation, liens and encumbrances, except as noted in the financial statements. We have disclosed the nature and carrying amounts of any assets pledged as collateral. All assets of uncertain value, and restrictions imposed on assets, are appropriately reported in the financial statements.
12. All aspects of laws, regulations or contractual agreements, including non-compliance, are appropriately reflected in the financial statements.
13. Investments in marketable securities are appropriately recorded in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit Organizations. All events or circumstances giving rise to impairments are reflected in the financial statements.
14. All charges to capital assetscapital leases represent capital expenditures. No expenditures of a capital nature were charged to operations of the Organization. Depreciation of property, plant and equipmentcapital lease obligations has been recorded according to our best estimates of their useful lives. All events or circumstances giving rise to impairments are appropriately reflected in the financial statements.
15. Revenue has been recognized only where sales have been made and items delivered, or services rendered, and the amounts have been collected or are collectible. Revenues do not include any amounts arising from consignment sales or from any other transaction from which the Organization is not entitled to the proceeds.
16. We have identified all financial instruments, including derivatives, and hedging relationships. These have been appropriately recorded and disclosed in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit Organizations.

Information provided

1. We have responded fully to all inquiries made to us and have made available to you:
 - A complete record of all financial records that are relevant to the preparation and presentation of the financial statements, related data and minutes of the meetings of members and Board of Directors held throughout the year to the present date as well as summaries of recent meetings for which minutes have not yet been prepared;
 - Additional information that you have requested from us for the purpose of your audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. We acknowledge management's responsibility for the design, implementation and operation of controls that have been designed to prevent and detect fraud.

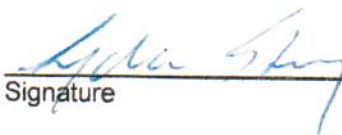
3. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
4. Where the impact of any frauds or suspected frauds, and non-compliance or possible non-compliance with laws and regulations, has a material effect on the financial statements, we have disclosed to you all known significant facts relating thereto, including circumstances involving management, employees having significant roles over controls, and others. We have made known to you any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators and others. The effects of such events, if any, are properly presented in the financial statements.
5. We have disclosed to you all deficiencies in the design or operation of internal controls over financial reporting of which we are aware.
6. We have disclosed to you all aspects of laws, regulations or contractual agreements that may affect the financial statements, including non-compliance.
7. We have disclosed to you the identities of all related parties to the Organization and all related party relationships and transactions of which we are aware.
8. We have no knowledge of side agreements (contractual or otherwise) with any parties that have not been disclosed to you.
9. The previous year's representation letter dated April 10, 2019 is still applicable to the prior year's financial statements, and no matters have arisen that require restatement of those financial statements.
10. There are no discussions with your firm's personnel regarding employment with the Organization.

Professional Services


1. We acknowledge the engagement letter dated February 21, 2020, which states the terms of reference regarding your professional services.
2. We are not aware of any reason why MNP LLP would not be considered independent for purposes of the Organization's audit.

Sincerely,

St. Andrew Soup Kitchen Inc.



Signature



Title