

**St. Andrew Soup Kitchen Inc.**  
**Financial Statements**  
*December 31, 2023*

**St. Andrew Soup Kitchen Inc.**  
**Contents**

*For the year ended December 31, 2023*

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## **Management's Responsibility**

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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 21, 2024



Executive Director

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, 2023, 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, 2023, and its financial performance 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 and donations from the general public, the completeness of which is not susceptible to 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 and excess of revenue over expenses for the years ended December 31, 2023 and 2022 and assets, liabilities and net assets as at December 31, 2023 and 2022. The audit opinion on the financial statements for the year ended December 31, 2022 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 21, 2024

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

**St. Andrew Soup Kitchen Inc.**  
**Statement of Financial Position**  
*As at December 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current</b>		
Cash	539,870	421,344
Accounts receivable	11,339	8,969
Marketable securities (Note 3)	329,697	389,046
Prepaid expenses and deposits	6,854	12,837
	887,760	832,196
Marketable Securities (Note 3)	188,509	103,124
Tangible capital assets (Note 4)	56,546	55,580
	1,132,815	990,900
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	46,583	22,077
Deferred contributions (Note 5)	8,989	23,190
	55,572	45,267
<b>Net Assets</b>		
Unrestricted	526,697	396,053
Invested in capital assets (Note 6)	56,546	55,580
Internally restricted Operating Reserve (Note 7)	394,000	394,000
Internally restricted Capital Reserve (Note 7)	100,000	100,000
	1,077,243	945,633
	1,132,815	990,900

Approved on behalf of the Board

  
 Director

  
 Director

**St. Andrew Soup Kitchen Inc.**  
**Statement of Operations and Changes in Net Assets**  
*For the year ended December 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Bishop's Diocesan Ministry	10,000	10,000
Dew Drop Inn Memorial Fund	39,302	36,922
Fundraising events and programs	56,619	39,788
Grant revenue <i>(Note 8)</i>	88,941	-
HST rebate	-	10,302
Interest earned	36,336	5,556
Operating donations - Bequests	18,132	24,036
Operating donations - Foundation and organizations	102,058	60,937
Operating donations - Individuals	320,334	262,633
Operating donations - Sector Appeals	137,402	140,329
Wage reimbursements	15,984	52,513
Special programs revenue	40,629	52,269
	<b>865,737</b>	<b>695,285</b>
<b>Expenses</b>		
Advertising	4,683	3,858
Amortization	15,424	15,619
Bank charges and interest	1,115	1,539
Building lease <i>(Note 9)</i>	1,200	1,200
Building repairs and maintenance	23,761	4,318
Equipment repairs and maintenance	7,704	6,614
Food expense	131,351	119,872
Fundraising expenses	12,111	18,875
Insurance	6,260	5,156
Licences and fees	6,076	872
Office expenses	10,814	18,354
Professional fees	9,708	4,418
Seniors Program	41,730	8,306
Salaries, benefits and honoraria	375,888	314,214
Supplies	50,142	47,936
Travel	3,496	3,000
Utilities	23,994	22,902
Waste disposal	8,671	8,817
	<b>734,128</b>	<b>605,870</b>
<b>Excess of revenue over expenses</b>	<b>131,609</b>	<b>89,415</b>
<b>Net assets, beginning of year</b>	<b>396,053</b>	<b>807,617</b>
<b>Change in invested in capital assets <i>(Note 6)</i></b>	<b>(965)</b>	<b>(6,979)</b>
<b>Transfer to internally restricted reserves</b>	<b>-</b>	<b>(494,000)</b>
	<b>526,697</b>	<b>396,053</b>

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, 2023

	2023	2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash received from contributions	812,828	703,949
Interest received	18,385	2,398
Cash paid for program service expenses	(317,401)	(295,413)
Cash paid for salaries and benefits	(370,811)	(298,175)
	<b>143,001</b>	<b>112,759</b>
<b>Investing</b>		
Purchase of marketable securities	(294,448)	(100,025)
Purchase of capital assets	(16,390)	(22,598)
Disposal of marketable securities	286,363	-
	<b>(24,475)</b>	<b>(122,623)</b>
<b>Increase (decrease) in cash resources</b>	<b>118,526</b>	<b>(9,864)</b>
<b>Cash resources, beginning of year</b>	<b>421,344</b>	<b>431,208</b>
<b>Cash resources, end of year</b>	<b>539,870</b>	<b>421,344</b>

The accompanying notes are an integral part of these financial statements



# St. Andrew Soup Kitchen Inc.

## Notes to the Financial Statements

For the year ended December 31, 2023

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### 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.

#### **Tangible capital assets**

Tangible capital assets are recorded at cost. Contributed tangible 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.

	<b>Method</b>	<b>Years</b>
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.

Fundraising Revenue is recognized when the amount to be received can be reasonably estimated and ultimate 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 financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

***Arm's length financial instruments***

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year. Fair value is determined by reference to recent arm's length transactions.

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. Fair value is determined by published price quotations. 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 excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

***Financial asset impairment***

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

**St. Andrew Soup Kitchen Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2023*

**3. Marketable securities**

	<b>2023</b>	<b>2022</b>
CIBC Wood Gundy Mutual Fund investments (cost - \$54; 2022 - \$54)	57	54
Scotiabank guaranteed investment certificate, matured in current year	-	101,187
Copperfin guaranteed investment certificate, paying interest at 4.20% per annum, maturing September 2024 (cost - \$100,000; 2022 - \$100,000)	<b>105,293</b>	100,025
Scotiabank long-term non-redeemable guaranteed investment certificate, paying interest at 4.75% per annum, maturing November 2025 (cost - \$103,218; 2022 - \$103,218)	<b>108,951</b>	103,124
Scotiabank long-term non-redeemable guaranteed investment certificate, matured in current year	-	111,715
Scotiabank guaranteed investment certificate, matured in current year	-	76,065
Scotiabank guaranteed investment certificate, paying interest at 5.20% per annum maturing March 2024 (cost - \$101,407)	<b>106,059</b>	-
Scotiabank long-term non-redeemable guaranteed investment certificate, paying interest at 5.65% per annum, maturing November 2024 (cost - \$116,644)	<b>118,287</b>	-
Scotiabank long-term non-redeemable guaranteed investment certificate, paying interest at 4.75% per annum, maturing February 2025 (cost - \$76,397)	<b>79,559</b>	-
	<b>518,206</b>	492,170
Less: current portion	<b>329,697</b>	389,046
	<b>188,509</b>	103,124

**4. Tangible capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2023 Net book value</b>	<b>2022 Net book value</b>
Computer equipment	15,176	14,306	870	1,596
Furniture and fixtures	194,798	139,122	55,676	53,984
	<b>209,974</b>	<b>153,428</b>	<b>56,546</b>	55,580

**St. Andrew Soup Kitchen Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2023*

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**5. Deferred contributions**

Deferred contributions consist of unspent contributions received from the Thunder Bay Community Foundation. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2023	2022
Balance, beginning of year	23,190	-
Amount received during the year	8,989	23,190
Less: Amount recognized as revenue during the year	(23,190)	-
Balance, end of year	8,989	23,190

**6. Invested in tangible capital assets**

	2023	2022
Balance, beginning of year	55,580	48,601
Purchase of capital assets	16,390	22,598
Amortization of capital assets	(15,424)	(15,619)
Balance, end of year	56,546	55,580

**7. Restrictions on net assets**

***Internally restricted net assets***

The Organization's Board of Directors internally restricted net assets of \$394,000 to be held for providing financing for future working capital needs. The Board of Directors also has internally restricted net assets of \$100,000 for future purchase of tangible capital assets. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

**8. Grant revenue**

	2023	2022
United Way of Thunder Bay	16,200	-
Thunder Bay Community Foundation	23,190	-
The District of Thunder Bay Social Services Administration Board	48,376	-
Other	1,175	-
Total	88,941	-

**9. Commitments**

The Organization has entered into a lease agreement ending December 2024 to pay 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.

Estimated minimum annual payments as follows:

<u>2024</u>	<u>1,200</u>
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**10. 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.