

**AGAPE TABLE INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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# COURT FILOPOULOS & ASSOCIATES

Certified Management Accountants Ltd.



## AUDITORS' REPORT

To the Board of Directors of Agape Table Inc.

We have audited the accompanying financial statements of Agape Table Inc. which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as explained in the Qualified Opinion paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Qualified Opinion

Agape Table Inc. derives revenue in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenue for the year, assets and unrestricted net assets.

In our opinion, except for the reported qualification, the financial statements present fairly, in all material respects, the financial position of Agape Table Inc. at December 31, 2014, and results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba  
July 30, 2015

A handwritten signature in blue ink that reads "Court Filopoulos + Associates". The signature is written in a cursive, flowing style.

Certified Management Accountants Ltd.

**AGAPE TABLE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

December 31,	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 140,108	\$ 103,586
Short term investments, note 3	11,298	9,590
Accounts receivable, note 4	53,971	21,654
Inventory	4,312	7,724
Prepaid expenses	5,698	3,989
	215,387	146,543
<b>PROPERTY AND EQUIPMENT, note 5</b>	<b>6,835</b>	<b>-</b>
	<b>\$ 222,222</b>	<b>\$ 146,543</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities, note 6	\$ 33,936	\$ 28,009
<b>DEFERRED CAPITAL CONTRIBUTIONS, note 7</b>	<b>10,315</b>	<b>-</b>
	<b>44,251</b>	<b>28,009</b>
<b>NET ASSETS</b>		
Net assets invested in property and equipment	5,185	-
Unrestricted net assets	172,786	118,534
	<b>177,971</b>	<b>118,534</b>
	<b>\$ 222,222</b>	<b>\$ 146,543</b>

Approved on behalf of the Board:

SP Director  
High Director

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**AGAPE TABLE INC.  
STATEMENT OF CHANGES IN NET ASSETS  
AS AT DECEMBER 31, 2014**

	<b>Net assets invested in property and equipment</b>	<b>Unrestricted net assets</b>	<b>Total 2014</b>	<b>Total 2013</b>
Beginning balance	\$ -	\$ 118,534	\$ <b>118,534</b>	\$ 132,654
Revenues in excess of expenditures	-	59,437	<b>59,437</b>	(14,120)
Additions to property and equipment	8,928	(8,928)	-	-
Amortization of deferred capital contributions	(1,650)	1,650	-	-
Amortization of property and equipment	(2,093)	2,093	-	-
Ending balance	\$ 5,185	\$ 172,786	\$ <b>177,971</b>	\$ 118,534

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**AGAPE TABLE INC.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
<b>REVENUE</b>		
Amortization of deferred capital contributions	\$ 1,650	\$ -
Cash donations	463,883	354,865
Grants	77,836	59,189
In-kind donations	10,427	-
Program receipts	64,405	46,651
	<b>618,201</b>	<b>460,705</b>
<b>FOOD &amp; PROGRAM COSTS</b>		
Food cost	119,310	123,029
In-kind donations	10,427	-
Program expenses	29,174	4,669
Kitchen supplies	15,724	23,909
	<b>174,635</b>	<b>151,607</b>
<b>GROSS PROFIT</b>	<b>443,566</b>	<b>309,098</b>
<b>EXPENSES</b>		
Advertising and promotion	101,222	71,796
Amortization of property and equipment	2,093	-
Bank charges	3,703	4,367
Board expenses	2,193	524
Insurance	2,373	2,758
Office	10,096	7,172
Professional fees	6,797	5,059
Rental	17,600	19,200
Repairs and maintenance	1,724	3,886
Utilities	2,531	3,475
Vehicle expenses	4,632	5,921
Wages and benefits	230,385	201,299
	<b>385,349</b>	<b>325,457</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>58,217</b>	<b>(16,359)</b>
<b>OTHER INCOME</b>		
Investment revenue	1,088	2,239
Unrealized gains	132	-
	<b>1,220</b>	<b>2,239</b>
<b>REVENUES IN EXCESS OF EXPENDITURES</b>	<b>\$ 59,437</b>	<b>\$ (14,120)</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**AGAPE TABLE INC.  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATIONS</b>		
Revenue in excess of expenditures (expenditures in excess of revenue)	\$ 59,437	\$ (14,120)
Amortization of property and equipment	2,093	-
Amortization of deferred capital contributions	(1,650)	-
Changes in non-cash working capital items	(12,722)	(18,944)
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	<b>47,158</b>	<b>(33,064)</b>
<b>INVESTING</b>		
Purchase of property, plant and equipment	(8,928)	-
Investments	(1,708)	(1,495)
<b>CASH USED IN INVESTING</b>	<b>(10,636)</b>	<b>(1,495)</b>
<b>NET CASH PROVIDED BY (USED IN) OPERATIONS AND INVESTING DURING THE YEAR</b>	<b>36,522</b>	<b>(34,559)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>103,586</b>	<b>138,145</b>
<b>CASH, END OF YEAR</b>	<b>\$ 140,108</b>	<b>\$ 103,586</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**AGAPE TABLE INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**1. PURPOSE OF THE ORGANIZATION**

Agape Table Inc. is a not-for-profit, non-share capital organization that provides low cost nutritional food to low income individuals in the downtown area of Winnipeg, Manitoba. It is a registered charity under the Corporations Act of Manitoba and solicits donations from the public. As a registered charity, it is not subject to income tax on its surplus. The longevity of the organization is dependent upon its ability to attract adequate donations and/or other sources of revenue

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Accounting

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations.

(b) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ significantly from those estimates.

(c) Short Term Investments

The Organization recognizes its short term investments at fair market value. Unrealized gains or losses are recognized in the statement of operations.

(d) Inventory

Inventories are carried at the lower of cost and net realizable value, cost being determined on a first-in, first-out basis.

(e) Property and Equipment

In 2014, average revenues for the current and preceding year, exceeded \$500,000. Consequently, in accordance with CPA Canada Handbook section 4431, 2014 capital purchases were reported on the balance sheet. Purchases in previous years have been expensed.

Property and equipment are stated at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Equipment	20% declining balance
Computer software	100% declining balance

In the year of acquisition, asset additions are amortized at one half the above noted rates.



**AGAPE TABLE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

(f) Deferred Capital Contributions

Grants and donations are recognized as deferred capital contributions until the terms and conditions of the contributions have been met. Upon compliance, the grants/donations are recognized into income on a basis which is consistent with the amortization of the capital assets to which they relate.

(g) Revenue Recognition

Agape Table Inc. follows the deferral method of accounting for contributions which include donations and government grants. As such, restricted contributions designated for specific periods or purposes are deferred and recorded as revenue in the designated period or when the applicable expenditures 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.

(h) In-kind Donations

In-kind donations of materials and volunteer services, which are used in the normal course of the Organization's operations and would otherwise have been purchased, are reported in the financial statements when fair value can be reasonably estimated.

In accordance with CPA Canada Handbook section 4410, food donations from Winnipeg Harvest have not been reported in the financial statements due to valuation uncertainty. The Organization estimates the value of food donations received in 2014 to be \$30,750. Winnipeg Harvest confirmed a total of 243,686 lbs of food donated to Agape Table Inc in 2014.

(i) Financial Instruments

The Organization's financial instruments consist of cash, accounts receivable, short term investments, accounts payable and accrued liabilities. Unless otherwise stated, the book value of the Organization's financial assets and liabilities approximate their fair value.

The Organization, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The following analysis provides a measurement of those risks at year end:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. The Organization's financial assets that are exposed to credit risk consist of cash, short term investments and accounts receivable. The Organization's cash and investments are maintained with large federally and provincially regulated financial institutions in Canada and risk is therefore mitigated. The Organization's accounts receivable include Goods and Services Tax receivable from the Federal government, donations receivable from the government as well as donations receivable from donors. Credit risk is limited. The maximum exposure to credit risk is the carrying value of accounts receivable on the balance sheet.

Market and interest rate risks are risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and interest rates. The Organization has a modestly diversified portfolio of investments, which mitigates its market and interest rate risk.

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they become due. The Organization holds assets that can be readily converted into cash and their value exceeds the total liabilities reported at year end, therefore liquidity risk is limited.

There have been no changes in the Organization's risk exposures from the prior year.

**AGAPE TABLE INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**3. SHORT TERM INVESTMENTS**

	2014		2013	
	Cost	Fair Market Value	Cost	Fair Market Value
Cash	\$ 1,334	\$ 1,334	\$ 1,146	\$ 1,146
Mutual Funds	3,064	3,252	3,064	3,139
Shares of public companies	6,768	6,712	5,384	5,305
<b>Total</b>	<b>\$ 11,166</b>	<b>\$ 11,298</b>	<b>\$ 9,594</b>	<b>\$ 9,590</b>

**4. ACCOUNTS RECEIVABLE**

	2014	2013
Donations and grants receivable	\$ 50,862	\$ 18,962
GST receivable	3,109	2,692
	<b>\$ 53,971</b>	<b>\$ 21,654</b>

**5. PROPERTY AND EQUIPMENT**

	2014			2013		
	Cost	Accumulated Amortization	Net Carrying Amount	Cost	Accumulated Amortization	Net Carrying Amount
Computer software	\$ 3,000	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -
Equipment	5,928	593	5,335	-	-	-
<b>Total</b>	<b>\$ 8,928</b>	<b>\$ 2,093</b>	<b>\$ 6,835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2014	2013
Accounts payable	\$ 14,638	\$ 15,655
Accrued liabilities	4,633	2,800
Salaries payable	14,665	9,554
	<b>\$ 33,936</b>	<b>\$ 28,009</b>

**AGAPE TABLE INC.  
NOTES TO THE FINANCIAL STATEMENTS  
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**7. DEFERRED CAPITAL CONTRIBUTIONS**

	2014	2013
Opening balance	\$ -	\$ -
Deferred revenue	11,965	-
Less: Amortization	(1,650)	-
<b>Total</b>	<b>\$ 10,315</b>	<b>\$ -</b>

**8. AGAPE TABLE ENDOWMENT FUND**

On February 16, 2006, the Organization entered into an agreement with The Winnipeg Foundation to establish the Agape Table Endowment Fund. Contributions to the endowment fund are made by both Agape Table Inc. and the general public. All contributions made to the endowment fund are held and invested by The Winnipeg Foundation. Investment income generated from the contributed capital may be used at the discretion of the Board of Directors of Agape Table. In the event of proven extraordinary need of Agape Table Inc. for access to the fund such as cashflow shortfalls or necessary capital expenditures, Agape Table Inc. can be funded up to 25% of the endowment contributions at the discretion of The Winnipeg Foundation.

As at December 31, 2014, the fund had a market value of \$82,669.

Agape Table Inc. did not make any contributions to the Winnipeg Foundation, nor did it draw out any investment income earned on the endowment fund in 2014.

**9. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified consistent with the current year's presentation.