

AGAPE TABLE INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2017

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 10

F.H. BLACK & COMPANY

Chartered Professional Accountants Inc.

36 Roslyn Road

WINNIPEG, MANITOBA R3L 0G6

TELEPHONE: (204) 949-9113 FAX: (204) 949-0497

www.fhblack.com

INDEPENDENT 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, 2017, 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

In common with many charitable organizations, Agape Table Inc. derives revenues in the form of donations and other program activities, 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 these revenues, 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, 2017, 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
October 18, 2018


Chartered Professional Accountants Inc.

**AGAPE TABLE INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

December 31,	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 194,136	\$ 241,576
Short term investments, note 4	21,498	18,213
Accounts receivable, note 5	28,849	14,674
Inventory	3,666	-
Prepaid expenses	8,387	7,507
	256,536	281,970
PROPERTY AND EQUIPMENT, note 6	22,187	14,493
	\$ 278,723	\$ 296,463
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities, note 7	\$ 29,703	\$ 55,926
LONG TERM LIABILITIES		
Deferred capital contributions, note 8	4,991	6,239
	34,694	62,165
NET ASSETS		
Net assets invested in property and equipment	25,861	16,919
Unrestricted net assets	218,168	217,379
	244,029	234,298
	\$ 278,723	\$ 296,463

Approved on behalf of the Board:


 _____ Director


 _____ Director

October 18, 2018

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, 2017**

	Net assets invested in property and equipment	Unrestricted net assets	Total 2017	Total 2016
Beginning balance	\$ 16,919	\$ 217,379	\$ 234,298	\$ 196,973
Revenues in excess of expenditures	-	9,731	9,731	37,325
Additions to property and equipment	14,365	(14,365)	-	-
Amortization of deferred capital contributions	1,248	(1,248)	-	-
Amortization of property and equipment	(6,671)	6,671	-	-
Ending balance	\$ 25,861	\$ 218,168	\$ 244,029	\$ 234,298

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, 2017**

	2017	2016
REVENUE		
Amortization of deferred capital contributions	\$ 1,248	\$ 1,560
Cash donations	500,821	491,440
Grants	11,457	11,417
In-kind donations, note 9	7,159	6,002
Program receipts	61,357	96,167
	582,042	606,586
FOOD & PROGRAM COSTS		
Direct salaries and wages	184,987	200,163
Food cost	95,169	140,149
Kitchen supplies	7,956	12,281
Program expenses	14,599	17,774
	302,711	370,367
REVENUES IN EXCESS OF DIRECT COSTS	279,331	236,219
EXPENSES		
Advertising and promotion	128,432	87,198
Amortization of property and equipment	6,671	5,139
Bank charges	2,349	3,327
Board expenses	1,117	1,658
Insurance	4,856	2,400
Office	9,698	7,957
Professional fees	31,539	6,184
Rental	30,186	24,600
Repairs and maintenance	4,003	5,461
Utilities	2,456	1,905
Vehicle expenses	4,688	5,377
Wages and benefits	47,403	50,717
	273,398	201,923
REVENUES IN EXCESS OF OPERATING COSTS	5,933	34,296
OTHER INCOME		
Investment revenue	980	1,084
Unrealized gains	2,818	1,945
	3,798	3,029
REVENUES IN EXCESS OF EXPENDITURES	\$ 9,731	\$ 37,325

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, 2017**

	2017	2016
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Revenue in excess of expenditures	\$ 9,731	\$ 37,325
Amortization of property and equipment	6,671	5,139
Amortization of deferred capital contributions	(1,248)	(1,560)
Unrealized (gains) losses	(2,818)	(1,945)
Changes in non-cash working capital items	(44,944)	24,405
CASH (USED IN) PROVIDED BY OPERATIONS	(32,608)	63,364
INVESTING		
Purchase of property and equipment	(14,365)	(4,043)
Investment additions	(467)	(2,053)
CASH USED IN INVESTING	(14,832)	(6,096)
NET CASH (USED IN) PROVIDED BY OPERATIONS AND INVESTING DURING THE YEAR	(47,440)	57,268
CASH, BEGINNING OF YEAR	241,576	184,308
CASH, END OF YEAR	\$ 194,136	\$ 241,576

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

AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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) Inventory

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

(d) Property and Equipment

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.

(e) Deferred Capital Contributions

Donations and grants restricted for capital expenditures are recognized as deferred capital contributions until the capital costs to which they relate, have been incurred. Once capital costs have been incurred, contributions are recognized into income on a basis consistent with the rate of amortization of the capital expenditures.

AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

(f) 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.

Program receipts are recognized when there is persuasive evidence that low cost grocery and/or subsidized breakfast transactions have taken place, the prices are known and collection reasonably assured.

(g) 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.

The Organization does not report in-kind donations when there is valuation uncertainty, in accordance with CPA Canada Handbook section 4410.

(h) Financial Instruments

The Organization's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and accrued liabilities. The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all financial assets and liabilities at amortized cost, except for short term investments which are subsequently measured at fair market value.

**AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

3. FINANCIAL INSTRUMENTS

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 short term 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, as well as donations receivable from individual donors. 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 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 cash with a value that exceeds 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.

4. SHORT TERM INVESTMENTS

	2017		2016	
	Cost	Fair Market Value	Cost	Fair Market Value
Cash	\$ 2,192	\$ 2,192	\$ 1,725	\$ 1,725
Mutual Funds	4,244	3,670	4,244	3,574
Shares of public companies	5,616	15,636	5,616	12,914
Total	\$ 12,052	\$ 21,498	\$ 11,585	\$ 18,213

5. ACCOUNTS RECEIVABLE

	2017	2016
Donations and grants	\$ 25,886	\$ 11,486
Goods and Services Tax	2,963	2,988
Employee advance	-	200
	\$ 28,849	\$ 14,674

**AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

6. PROPERTY AND EQUIPMENT

	2017			2016		
	Cost	Accumulated Amortization	Net Carrying Amount	Cost	Accumulated Amortization	Net Carrying Amount
Computer software	\$ 7,043	\$ 7,043	\$ -	\$ 7,043	\$ 5,022	\$ 2,021
Furniture and fixtures	18,506	8,529	9,977	18,506	6,034	12,472
Vehicles	14,365	2,155	12,210	-	-	-
Total	\$ 39,914	\$ 17,727	\$ 22,187	\$ 25,549	\$ 11,056	\$ 14,493

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Accrued professional fees	\$ 4,500	\$ 5,199
Salaries payable	17,950	20,231
Trade	7,253	30,496
Total	\$ 29,703	\$ 55,926

8. DEFERRED CAPITAL CONTRIBUTIONS

	2017	2016
Opening balance	\$ 6,239	\$ 7,798
Less: Amortization	(1,248)	(1,559)
Total	\$ 4,991	\$ 6,239

9. IN-KIND DONATIONS

In-kind donations in the amount of \$7,159 have been reported as revenue in 2017 (2016 - \$6,002).

Food donations from Winnipeg Harvest have not been reported in the financial statements due to valuation uncertainty. Winnipeg Harvest has confirmed 228,908 lbs of food donated to Agape Table Inc. in 2017 (2016 - 238,456 lbs).

AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

10. 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 a proven extraordinary need of Agape Table Inc. to access 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, 2017, the fund had a market value of \$107,643 (2016 - \$102,402).

Agape Table Inc. did not make any contributions to the Winnipeg Foundation, nor did it draw out investment income earned on the endowment fund in 2017.