

**AGAPE TABLE INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of Agape Table Inc.

### Qualified Opinion

We have audited the financial statements of Agape Table Inc., which comprise the statement of financial position as at December 31, 2019, the statements of operations, 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 Agape Table Inc. 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 not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2018 and December 31, 2019, current assets as at December 31, 2018 and December 31, 2019, and net assets as at January 1 and December 31 for both the 2018 and 2019 fiscal years. Our audit opinion on the financial statements for the year ended 2019 was modified accordingly because of the possible effects of this 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 Auditors' 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 audit opinion.

### Other Information

Management is responsible for the Other Information. The Other Information comprises materials from the Annual General Meeting ("AGM") package, other than the financial statements and our auditors' report thereon. This information may include summary/highlights of the Corporation's financial performance and capital expenditures that have (will be) taken place.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As of the date of this report, the Other Information was not available, therefore we have not read, nor can we report on the other information.

### 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 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.

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 Entity 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.

#### Auditors' 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 Independent Auditors' 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 judgement 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 controls.
- Obtain an understanding of internal controls 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 controls.
- 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 Auditors' 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 Independent Auditors' 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 controls that we identify during our audit.



**AGAPE TABLE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

December 31,	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 486,706	\$ 458,528
Short term investments, note 4	-	19,133
Accounts receivable, note 5	19,329	47,144
Inventory	-	4,634
Prepaid expenses	9,579	4,012
	515,614	533,451
PROPERTY AND EQUIPMENT, note 6	131,487	148,891
	\$ 647,101	\$ 682,342
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities, note 7	\$ 14,075	\$ 51,998
<b>LONG TERM LIABILITIES</b>		
Deferred capital contributions, note 8	3,194	3,993
	17,269	55,991
<b>NET ASSETS</b>		
Net assets invested in property and equipment	128,293	144,898
Unrestricted net assets	501,539	481,453
	629,832	626,351
	\$ 647,101	\$ 682,342

Approved by the Board:

Date: May 25 2020

Director: 

Director: 

**AGAPE TABLE INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**AS AT DECEMBER 31, 2019**

	Net assets invested in property and equipment	Unrestricted net assets	Total 2019	Total 2018
Beginning balance	\$ 144,898	\$ 481,453	<b>\$ 626,351</b>	\$ 244,029
Revenues in excess of expenditures	-	3,481	<b>3,481</b>	382,322
Additions to property and equipment	18,608	(18,608)	-	-
Amortization of deferred capital contributions	799	(799)	-	-
Amortization of property and equipment	(36,012)	36,012	-	-
Ending balance	<b>\$ 128,293</b>	<b>\$ 501,539</b>	<b>\$ 629,832</b>	<b>\$ 626,351</b>

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, 2019**

	2019	2018
<b>REVENUE</b>		
Cash donations	\$ 531,633	\$ 782,747
Grants	20,304	106,411
In-kind donations, note 9	21,432	22,259
Program receipts	40,900	46,517
Amortization of deferred capital contributions	799	998
	<b>615,068</b>	<b>958,932</b>
<b>FOOD &amp; PROGRAM COSTS</b>		
Direct salaries and wages	255,393	211,354
Food cost	38,909	48,049
Kitchen supplies	18,457	10,170
Program expenses	48,017	23,385
	<b>360,776</b>	<b>292,958</b>
<b>REVENUES IN EXCESS OF FOOD &amp; PROGRAM COSTS</b>	<b>254,292</b>	<b>665,974</b>
<b>EXPENSES</b>		
Advertising and promotion	41,603	51,960
Amortization of property and equipment	36,012	20,365
Bad debt	1,624	-
Bank charges	7,303	3,824
Board expenses	2,420	2,688
Insurance	2,917	3,152
Memberships and licences	-	308
Office	13,732	11,907
Professional fees	31,165	59,175
Rental	33,926	35,787
Repairs and maintenance	4,133	22,321
Utilities	2,013	2,385
Vehicle expenses	4,140	5,568
Wages and benefits	90,177	63,907
	<b>271,165</b>	<b>283,347</b>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER OPERATING EXPENDITURES</b>	<b>(16,873)</b>	<b>382,627</b>
<b>OTHER INCOME</b>		
Investment revenue	13,502	2,583
Unrealized (losses) gains	-	(2,888)
Other revenue	6,852	-
	<b>20,354</b>	<b>(305)</b>
<b>REVENUES IN EXCESS OF EXPENDITURES</b>	<b>\$ 3,481</b>	<b>\$ 382,322</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, 2019**

	<b>2019</b>	<b>2018</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATIONS</b>		
Revenue in excess of expenditures	\$ 3,481	\$ 382,322
Amortization of property and equipment	36,012	20,365
Amortization of deferred capital contributions	(799)	(998)
Unrealized losses	-	2,888
Changes in non-cash working capital items	8,092	6,884
<b>CASH PROVIDED BY OPERATIONS</b>	<b>46,786</b>	<b>411,461</b>
<b>INVESTING</b>		
Purchase of property and equipment	(18,608)	(147,069)
<b>NET CASH PROVIDED BY OPERATIONS AND INVESTING DURING THE YEAR</b>	<b>28,178</b>	<b>264,392</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>458,528</b>	<b>194,136</b>
<b>CASH, END OF YEAR</b>	<b>\$ 486,706</b>	<b>\$ 458,528</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, 2019**

**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

Inventory of low cost grocery items is carried at the lower of cost and net realizable value, cost being determined on a first-in, first-out basis.

In 2019, the Board of Directors approved the discontinuation of the low cost grocery program. All remaining low cost grocery inventory was expensed and used for other programs of the organization.

(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 equipment	30% declining balance
Computer software	100% declining balance
Leasehold improvements	straight line basis over five years
Vehicles	30% 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, 2019**

(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.

(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 subsidized breakfast and low cost grocery (discontinued in 2019) transactions have taken place, prices are known and collection reasonably assured.

(g) Endowment fund - revenue and expenditure recognition

Revenues from the endowment fund are recognized in the year drawings are approved and paid to Agape Table Inc. from the endowment fund.

Contributions to the endowment fund are recorded as expenditures of Agape Table Inc. in the year the contributions are paid from Agape Table Inc. to the endowment fund.

(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.

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

(i) Financial Instruments

The Organization's financial instruments consist of cash, 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.

**AGAPE TABLE INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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 and accounts receivable. The Organization's cash is 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.

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**

	2019		2018	
	Cost	Fair Market Value	Cost	Fair Market Value
Cash	\$ -	\$ -	\$ 2,852	\$ 2,192
Mutual Funds	-	-	4,244	3,670
Shares of public companies	-	-	5,616	13,271
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,712</b>	<b>\$ 19,133</b>

In 2019, all short-term investments were redeemed with proceeds deposited to the Organization's bank account.

**5. ACCOUNTS RECEIVABLE**

	2019	2018
Donations and grants	<b>\$ 18,181</b>	\$ 37,065
Goods and Services Tax	<b>1,148</b>	9,466
Employee advance	-	613
	<b>\$ 19,329</b>	<b>\$ 47,144</b>

**AGAPE TABLE INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**6. PROPERTY AND EQUIPMENT**

	2019			2018		
	Cost	Accumulated Amortization	Net Carrying Amount	Cost	Accumulated Amortization	Net Carrying Amount
Computer equipment	\$ 3,297	\$ 907	\$ 2,390	\$ -	\$ -	\$ -
Computer software	7,043	7,043	-	7,043	7,043	-
Equipment	26,883	12,958	13,925	18,506	10,524	7,982
Vehicles	14,365	8,382	5,983	14,365	5,818	8,547
Leasehold improvements	154,003	44,814	109,189	147,069	14,707	132,362
<b>Total</b>	<b>\$ 205,591</b>	<b>\$ 74,104</b>	<b>\$ 131,487</b>	<b>\$186,983</b>	<b>\$ 38,092</b>	<b>\$ 148,891</b>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2019	2018
Accrued professional fees	\$ 4,625	\$ 4,625
Payroll liabilities	988	14,186
Salaries payable	7,221	21,544
Trade	1,241	11,643
<b>Total</b>	<b>\$ 14,075</b>	<b>\$ 51,998</b>

**8. DEFERRED CAPITAL CONTRIBUTIONS**

	2019	2018
Opening balance	\$ 3,993	\$ 4,991
Less: Amortization	(799)	(998)
<b>Total</b>	<b>\$ 3,194</b>	<b>\$ 3,993</b>

**9. IN-KIND DONATIONS**

In-kind donations in the amount of \$21,432 have been reported as revenue in 2019 (2018 - \$22,259).

Food donations from Winnipeg Harvest have not been reported in the financial statements due to valuation uncertainty. Winnipeg Harvest has confirmed 168,373 lbs of food donated to Agape Table Inc. in 2019 (2018 - 210,344 lbs).

**AGAPE TABLE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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.

Agape Table Inc. contributed into the endowment fund the investment income earned on the fund of \$5,186 in 2019.

The endowment fund asset is not reported on the statement of financial position of Agape Table Inc.

As at December 31, 2019, the fund had a market value of \$142,182 (2018 - \$120,122).

**11. SUBSEQUENT EVENT: COVID-19**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The overall effect of these events on the Organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.