



F.H.Black & Company

Chartered Professional Accountants Inc.

To: Cathe Umlah, Chair, Agape Table Inc.
From: Harry Black, FCPA, FCMA, Managing Partner
Subject: **Agape Table Inc. December 31, 2021 year-end**
Date: May 11, 2022
cc: Renée Rocan, CPA, CA, Public Practice Manager

These enclosures are for your records:

- One copy of the approved financial statements of Agape Table Inc. for the year-ended December 31, 2021, together with our Audit Report thereon.
- Our Independence Confirmation Letter. Please review and retain for your own records.

Respecting the year-end:

- Please see attached December 31, 2021 Management Letter outlining our observations and recommendations, which we have identified over the course of our audit.

Should you have any questions concerning the above, please do not hesitate to contact our office. As always, we appreciate the opportunity to be of service to you.

AGAPE TABLE INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021

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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, 2021, 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, 2021, 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, 2020 and December 31, 2021, current assets as at December 31, 2020 and December 31, 2021, and net assets as at January 1 and December 31 for both the 2020 and 2021 fiscal years. Our audit opinion on the financial statements for the year ended 2021 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 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 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 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.



Winnipeg, Manitoba
May 11, 2022

Chartered Professional Accountants Inc

**AGAPE TABLE INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

<u>December 31,</u>	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,149,558	\$ 927,751
Accounts receivable, note 4	44,626	45,220
Prepaid expenses and deposits, note 5	93,149	9,513
	1,287,333	982,484
PROPERTY AND EQUIPMENT, note 6	89,449	111,918
	\$ 1,376,782	\$ 1,094,402
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities, note 7	\$ 32,208	\$ 19,860
LONG TERM LIABILITIES		
Deferred capital contributions, note 8	30,260	10,475
	62,468	30,335
NET ASSETS		
Net assets invested in property and equipment	59,189	101,443
Unrestricted net assets	1,255,125	962,624
	1,314,314	1,064,067
	\$ 1,376,782	\$ 1,094,402

Approved by the Board:

Date: May 11/22

Director: Catherine Underwood Board Chair

Director: Shirley, Treasurer

AGAPE TABLE INC.
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2021

	Net assets invested in property and equipment	Unrestricted net assets	Total 2021	Total 2020
Beginning balance	\$ 101,443	\$ 962,624	\$ 1,064,067	\$ 629,832
Revenue in excess of expenditures	-	250,247	250,247	434,235
Additions to property and equipment	17,592	(17,592)	-	-
Deferred capital contributions	(23,200)	23,200	-	-
Amortization of deferred capital contributions	3,415	(3,415)	-	-
Amortization of property and equipment	(40,061)	40,061	-	-
Ending balance	\$ 59,189	\$ 1,255,125	\$ 1,314,314	\$ 1,064,067

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, 2021**

	2021	2020
REVENUE		
Cash donations	\$ 811,493	\$ 913,420
Grants	87,577	113,424
In-kind donations, note 9	26,773	43,650
Program receipts	-	3,269
Amortization of deferred capital contributions	3,415	1,519
	929,258	1,075,282
FOOD & PROGRAM COSTS		
Direct salaries and wages	277,795	272,079
Food cost	2,804	4,190
Kitchen supplies	11,720	7,864
Program expenses	55,680	63,846
	347,999	347,979
REVENUES IN EXCESS OF FOOD & PROGRAM COSTS	581,259	727,303
EXPENSES		
Advertising and promotion	65,842	36,921
Amortization of property and equipment	40,061	38,598
Bank charges	8,577	6,827
Board expenses	1,775	2,152
Insurance	3,774	6,142
Office	20,823	20,443
Professional fees	10,785	9,848
Rental, note 10	37,500	35,724
Repairs and maintenance	5,025	4,607
Utilities, note 10	1,475	1,458
Vehicle expenses	6,535	3,238
Wages and benefits	140,172	135,363
	342,344	301,321
EXCESS OF REVENUE OVER OPERATING EXPENDITURES	238,915	425,982
OTHER INCOME		
Investment revenue	11,332	8,203
Other revenue	-	50
	11,332	8,253
REVENUE IN EXCESS OF EXPENDITURES	\$ 250,247	\$ 434,235

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, 2021**

	2021	2020
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Revenue in excess of expenditures	\$ 250,247	\$ 434,235
Amortization of property and equipment	40,061	38,598
Amortization of deferred capital contributions	(3,415)	(1,519)
Changes in non-cash working capital items	(47,494)	8,092
CASH PROVIDED BY OPERATIONS	239,399	460,074
INVESTING		
Property and equipment additions	(17,592)	(19,029)
NET CASH PROVIDED BY OPERATIONS AND INVESTING DURING THE YEAR	221,807	441,045
CASH, BEGINNING OF YEAR	927,751	486,706
CASH, END OF YEAR	\$ 1,149,558	\$ 927,751

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

AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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) 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.

(d) 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, 2021

(e) 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 transactions have taken place, prices are known and collection reasonably assured.

(f) 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.

(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, 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, 2021**

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. ACCOUNTS RECEIVABLE

	2021	2020
Donations and grants	\$ 41,926	\$ 43,684
Goods and Services Tax	2,700	1,536
	\$ 44,626	\$ 45,220

5. PREPAID EXPENSES AND DEPOSITS

In November 2021, the Organization made an offer to purchase lands and buildings at 352 and 356 Furby Street, Winnipeg, for a consideration of \$1,170,000. As at December 31, 2021, the Organization paid a \$50,000 deposit and incurred professional fees of \$30,734 relating to the purchase of the properties. The deposit and professional fees totalling \$80,734 are reported as part of the 2021 prepaid expenses and deposits.

Settlement of the remainder of the purchase price and the completion of the purchase depend upon the fulfillment of certain conditions set out in the purchase to offer. Should the conditions of the purchase not be fulfilled, the deposit will be returned to the Organization without penalty. The purchase is expected to be completed in 2022.

**AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

6. PROPERTY AND EQUIPMENT

	2021			2020		
	Cost	Accumulated Amortization	Net Carrying Amount	Cost	Accumulated Amortization	Net Carrying Amount
Computer equipment	\$ 3,297	\$ 2,813	\$ 484	\$ 3,297	\$ 2,222	\$ 1,075
Computer software	7,043	7,043	-	7,043	7,043	-
Equipment	63,504	25,059	38,445	45,912	17,645	28,267
Vehicles	14,365	11,433	2,932	14,365	10,177	4,188
Leasehold improvements	154,003	106,415	47,588	154,003	75,615	78,388
Total	\$ 242,212	\$ 152,763	\$ 89,449	\$224,620	\$ 112,702	\$ 111,918

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accrued professional fees	\$ 7,490	\$ 7,490
Salaries payable	14,343	9,821
Trade	10,375	2,549
Total	\$ 32,208	\$ 19,860

8. DEFERRED CAPITAL CONTRIBUTIONS

	2021	2020
Opening balance	\$ 10,475	\$ 3,194
Deferred capital contributions	23,200	8,800
Less: Amortization	(3,415)	(1,519)
Total	\$ 30,260	\$ 10,475

9. IN-KIND DONATIONS

In-kind donations in the amount of \$26,773 have been reported as revenue in 2021 (2020 - \$43,650).

Food donations from Winnipeg Harvest have not been reported in the financial statements due to valuation uncertainty. Winnipeg Harvest has confirmed 306,333 lbs of food donated to Agape Table Inc. in 2021 (2020 - 346,772 lbs).

AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

10. RENTAL AGREEMENT

The Organization entered into a lease commitment on June 15, 2018 with an unrelated third party respecting its premises. The agreement requires base rental payments of \$2,500 per month.

In addition to its base rental payments, the Organization is required to pay \$750 per month respecting its proportionate share of utilities.

Total base rent and utility payments over the next 2 years are expected to be \$39,000 annually.

11. 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 cash flow 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.

In 2021, Agape Table Inc. earned and received \$6,340 in investment income from the endowment fund (2020 - \$5,789).

In 2021, Agape Table Inc. contributed \$nil (2020- \$nil) to the Endowment fund.

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

As at December 31, 2021, the fund had a market value of \$159,669 (2020 - \$149,800).

12. COMPENSATION

Pursuant to the Public Sector Compensation Disclosure Act, the Organization is required to disclose to the public, the amount of compensation it pays in the fiscal year if the amount of compensation paid to the chairperson of its board of directors, board members, officers or employees is \$75,000 or more per person.

There are no salaries of \$75,000 or more to disclose for the fiscal year ending 2021 (2020 - nil).

AGAPE TABLE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

13. 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.



May 11, 2022

Board of Directors
Agape Table Inc.
364 Furby Street
Winnipeg, MB R3B 2V5

Dear Board of Directors:

We have been engaged to audit the financial statements of Agape Table Inc. for the year ended December 31, 2021.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the company and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Manitoba and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We are not aware of any relationships between the Organization and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from January 1, 2021 to May 11, 2022.

Canadian generally accepted standards for audit engagements requires that we confirm our independence to management or persons having oversight responsibility for the financial reporting process in the context of the Rules of Professional Conduct of the Chartered Professional Accountants of Manitoba. Accordingly, we hereby confirm that we are independent with respect to Agape Table within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Manitoba as of May 11, 2022.

We look forward to discussing with you the matters addressed in this letter when we come onsite to your office.

Yours truly,

Harry Black, FCPA, FCMA, Managing Partner