

**AGAPE TABLE INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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## 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, 2016, 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, 2016, 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  
May 11, 2017

Chartered Professional Accountants Inc.

**AGAPE TABLE INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016**

<u>December 31,</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 241,576	\$ 184,308
Short term investments, note 4	18,213	14,215
Accounts receivable, note 5	14,674	9,368
Inventory	-	5,015
Prepaid expenses	7,507	5,723
	<b>281,970</b>	<b>218,629</b>
<b>PROPERTY AND EQUIPMENT, note 6</b>	<b>14,493</b>	<b>15,589</b>
	<b>\$ 296,463</b>	<b>\$ 234,218</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities, note 7	\$ 55,926	\$ 29,447
<b>LONG TERM LIABILITIES</b>		
Deferred capital contributions, note 8	6,239	7,798
	<b>62,165</b>	<b>37,245</b>
<b>NET ASSETS</b>		
Net assets invested in property and equipment	16,919	16,455
Unrestricted net assets	217,379	180,518
	<b>234,298</b>	<b>196,973</b>
	<b>\$ 296,463</b>	<b>\$ 234,218</b>

Approved on behalf of the Board:

 Director  
 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, 2016**

	<b>Net assets invested in property and equipment</b>	<b>Unrestricted net assets</b>	<b>Total 2016</b>	<b>Total 2015</b>
Beginning balance	\$ 16,455	\$ 180,518	\$ <b>196,973</b>	\$ 177,971
Revenues in excess of expenditures	-	37,325	<b>37,325</b>	19,002
Additions to property and equipment	4,043	(4,043)	-	-
Amortization of deferred capital contributions	1,560	(1,560)	-	-
Amortization of property and equipment	(5,139)	5,139	-	-
Ending balance	\$ 16,919	\$ 217,379	\$ <b>234,298</b>	\$ 196,973

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, 2016**

	2016	2015
<b>REVENUE</b>		
Amortization of deferred capital contributions	\$ 1,560	\$ 2,517
Cash donations	491,440	476,688
Grants	11,417	2,301
In-kind donations, note 9	6,002	22,149
Program receipts	96,167	85,570
	<b>606,586</b>	<b>589,225</b>
<b>FOOD &amp; PROGRAM COSTS</b>		
Direct salaries and wages	200,163	163,896
Food cost	140,149	131,561
Program expenses	17,774	44,673
Kitchen supplies	12,281	12,695
	<b>370,367</b>	<b>352,825</b>
<b>REVENUES IN EXCESS OF DIRECT COSTS</b>	<b>236,219</b>	<b>236,400</b>
<b>EXPENSES</b>		
Advertising and promotion	87,198	109,597
Amortization of property and equipment	5,139	3,825
Bank charges	3,327	3,726
Board expenses	1,658	1,787
Insurance	2,400	1,936
Office	7,957	6,658
Professional fees	6,184	5,468
Rental	24,600	19,200
Repairs and maintenance	5,461	9,314
Utilities	1,905	1,760
Vehicle expenses	5,377	4,230
Wages and benefits	50,717	50,468
	<b>201,923</b>	<b>217,969</b>
<b>REVENUES IN EXCESS OF OPERATING COSTS</b>	<b>34,296</b>	<b>18,431</b>
<b>OTHER INCOME</b>		
Investment revenue	1,084	1,067
Unrealized gains (loss)	1,945	(496)
	<b>3,029</b>	<b>571</b>
<b>REVENUES IN EXCESS OF EXPENDITURES</b>	<b>\$ 37,325</b>	<b>\$ 19,002</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, 2016**

	<b>2016</b>	<b>2015</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATIONS</b>		
Revenue in excess of expenditures	\$ 37,325	\$ 19,002
Amortization of property and equipment	5,139	3,825
Amortization of deferred capital contributions	(1,560)	(2,517)
Unrealized (gains) losses	(1,945)	496
Changes in non-cash working capital items	24,405	39,386
<b>CASH PROVIDED BY OPERATIONS</b>	<b>63,364</b>	<b>60,192</b>
<b>INVESTING</b>		
Purchase of property and equipment	(4,043)	(12,579)
Investment additions	(2,053)	(3,413)
<b>CASH USED IN INVESTING</b>	<b>(6,096)</b>	<b>(15,992)</b>
<b>NET CASH PROVIDED BY OPERATIONS AND INVESTING DURING THE YEAR</b>	<b>57,268</b>	<b>44,200</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>184,308</b>	<b>140,108</b>
<b>CASH, END OF YEAR</b>	<b>\$ 241,576</b>	<b>\$ 184,308</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, 2016**

**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

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.

(f) 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**  
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(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.

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

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, short term investments, 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  
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**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 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**

	2016		2015	
	Cost	Fair Market Value	Cost	Fair Market Value
Cash	\$ 1,725	\$ 1,725	\$ 1,427	\$ 1,427
Mutual Funds	4,244	3,574	4,244	3,219
Shares of public companies	5,616	12,914	5,616	9,569
<b>Total</b>	<b>\$ 11,585</b>	<b>\$ 18,213</b>	<b>\$ 11,287</b>	<b>\$ 14,215</b>

**5. ACCOUNTS RECEIVABLE**

	2016	2015
Donations and grants receivable	\$ 11,486	\$ 6,320
GST receivable	2,988	3,048
Employee advance	200	-
	<b>\$ 14,674</b>	<b>\$ 9,368</b>

**AGAPE TABLE INC.  
NOTES TO THE FINANCIAL STATEMENTS  
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**6. PROPERTY AND EQUIPMENT**

	2016			2015		
	Cost	Accumulated Amortization	Net Carrying Amount	Cost	Accumulated Amortization	Net Carrying Amount
Computer software	\$ 7,043	\$ 5,022	\$ 2,021	\$ 3,000	\$ 3,000	\$ -
Furniture and fixtures	18,506	6,034	12,472	18,506	2,917	15,589
<b>Total</b>	<b>\$ 25,549</b>	<b>\$ 11,056</b>	<b>\$ 14,493</b>	<b>\$ 21,506</b>	<b>\$ 5,917</b>	<b>\$ 15,589</b>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2016	2015
Accrued professional fees	\$ 5,199	\$ 4,100
Salaries payable	20,231	12,781
Trade	30,496	12,566

**8. DEFERRED CAPITAL CONTRIBUTIONS**

	2016	2015
Opening balance	\$ 7,798	\$ 10,315
Less: Amortization	(1,559)	(2,517)
<b>Total</b>	<b>\$ 6,239</b>	<b>\$ 7,798</b>

**9. IN-KIND DONATIONS**

In-kind donations in the amount of \$6,002 have been reported as revenue in 2016 (2015 - \$22,149) and tax receipts were issued.

Food donations from Winnipeg Harvest have not been reported in the financial statements due to valuation uncertainty, however total donations have been estimated to be approximately \$27,000. Winnipeg Harvest has confirmed 238,456 lbs of food donated to Agape Table Inc. in 2016 (2015 - 247,819 lbs).

**AGAPE TABLE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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, 2016, the fund had a market value of \$102,402 (2015 - \$91,872).

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 2016.

**11. COMPARATIVE FIGURES**

Certain comparative figures were prepared by other accountants and have been reclassified consistent with the current year's presentation.