THE CHRISTMAS CHEER BOARD OF

GREATER WINNIPEG INC.

WINNIPEG, MB

FEBRUARY 28, 2026

ADEPTUS
ADVISORY GROUP
Chartered Professional Accountants Inc.
Advisory • Assurance & Accounting • Taxation

Independent Auditors' Report

To the Members of;
The Christmas Cheer Board of Greater Winnipeg Inc.

Qualified Opinion

We have audited the accompanying financial statements of The Christmas Cheer Board of Greater Winnipeg Inc., which comprise the balance sheet as at February 28, 2026, and the statements of revenue and expenditure, 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 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 the The Christmas Cheer Board of Greater Winnipeg Inc. as at February 28, 2026, 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 charitable organizations, The Christmas Cheer Board of Greater Winnipeg Inc. derives revenue from donations and fundraising, 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 Christmas Cheer Board of Greater Winnipeg Inc.. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising, excess of revenue over expenditures, and cash flows from operations for the years ended February 28, 2026 and 2025, current assets as at February 28, 2026 and 2025, and net assets as at March 1 and February 28 for both the 2026 and 2025 years. The audit opinion on the financial statements for the year ended February 28, 2025 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 opinion.

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 control 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 organization 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.

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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 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 control.

- Obtain an understanding of internal control 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 Christmas Cheer Board of Greater Winnipeg Inc.'s internal control.

- 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 Christmas Cheer Board of Greater Winnipeg Inc.'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 auditors' report. However, future events or conditions may cause The Christmas Cheer Board of Greater Winnipeg Inc. 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 control that we identify during our audit.

Adeptus Advisory Group

June 14, 2026
Winnipeg, Manitoba

Chartered Professional Accountants Inc.

THE CHRISTMAS CHEER BOARD OF

GREATER WINNIPEG INC.

BALANCE SHEET

AS AT FEBRUARY 28

	2026 $	2025 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,182,488	1,336,008
Investments *(note 3)*	1,613,151	1,485,934
Accounts receivable *(note 4)*	21,588	12,394
Inventory *(note 2)*	47,500	35,192
Prepaid expenses	40,668	1,467
	2,905,395	2,870,995
TANGIBLE CAPITAL ASSETS *(note 5)*	579	1,158
	2,905,974	2,872,153
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities *(note 6)*	12,673	8,640
NET ASSETS		
UNRESTRICTED NET ASSETS	1,241,508	1,549,011
INVESTMENT IN CAPITAL ASSETS	579	1,158
INTERNALLY RESTRICTED NET ASSETS *(note 7)*	1,651,214	1,313,344
	2,893,301	2,863,513
	2,905,974	2,872,153

Approved on Behalf of the Board

__________________________________ Director

__________________________________ Director

The accompanying notes are an integral part of these financial statements

THE CHRISTMAS CHEER BOARD OF

GREATER WINNIPEG INC.

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED FEBRUARY 28

	2026 $	2025 $
REVENUE		
Donations		
Individuals, churches, and other organizations	980,376	1,078,648
Online	294,481	349,210
Winnipeg Foundation	92,468	43,734
	1,367,325	1,471,592
COST OF SALES		
Food	945,067	1,061,353
Toys	163,219	176,321
Delivery and warehouse	4,974	3,074
	1,113,260	1,240,748
GROSS PROFIT	254,065	230,844
OPERATING EXPENDITURES *(schedule 1)*	355,110	429,458
OPERATING LOSS	(101,045)	(198,614)
OTHER ITEMS		
Investment income	95,443	125,849
Investment management fees	(15,688)	(16,384)
Unrealized gain on investments	51,657	83,508
	131,412	192,973
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE AMORTIZATION	30,367	(5,641)
AMORTIZATION		
Current	579	11,559
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	29,788	(17,200)

The accompanying notes are an integral part of these financial statements

THE CHRISTMAS CHEER BOARD OF

GREATER WINNIPEG INC.

STATEMENT OF CHANGES IN NET ASSETS

Year Ended February 28

	Internally restricted net assets	Investment in capital assets	Unrestricted net assets	2026 Total	2025 Total
NET ASSETS					
Balance, beginning of year	1,313,344	1,158	1,549,011	2,863,513	2,880,713
Excess (deficiency) of revenue over expenditure	-	(579)	30,367	29,788	(17,200)
Contributions to restricted funds	337,870	-	(337,870)	-	-
Balance, end of year	1,651,214	579	1,241,508	2,893,301	2,863,513

The accompanying notes are an integral part of these financial statements

THE CHRISTMAS CHEER BOARD OF

GREATER WINNIPEG INC.

STATEMENT OF CASH FLOWS

	Year Ended February 28	
	2026 $	2025 $
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess (deficiency) of revenue over expenditure for the year	29,788	(17,200)
Items not affecting cash:		
Amortization	579	11,559
Unrealized gain on investments	(51,657)	(83,508)
	(21,290)	(89,149)
Net changes in non-cash working capital affecting operations *(note 12)*	(56,670)	25,156
	(77,960)	(63,993)
INVESTING		
Purchase of tangible capital assets	-	(1,738)
Purchase of investments	(659,402)	(1,621,812)
Redemption of investments	583,842	1,754,226
	(75,560)	130,676
INCREASE (DECREASE) IN CASH RESOURCES	(153,520)	66,683
CASH RESOURCES, BEGINNING OF YEAR	1,336,008	1,269,325
CASH RESOURCES, END OF YEAR	1,182,488	1,336,008

The accompanying notes are an integral part of these financial statements

1. NATURE OF ACTIVITIES

The Christmas Cheer Board of Greater Winnipeg Inc. (the "Board") was created in 1919 by several Winnipeg churches. Its purpose is to raise funds through donations and other activities held in the city to purchase Christmas baskets and toys that are delivered to Winnipeg families in need.

The Board is incorporated as a corporation without share capital under the laws of Manitoba and is a Registered Charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Board.

a) REVENUE RECOGNITION

The Board follows the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Unrestricted contributions, grants, and donations are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of tangible capital assets that will be amortized have been deferred and will be recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

b) USE OF ESTIMATES

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the Board makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets, inventory counts, and impairment of long-lived assets.

c) CASH AND CASH EQUIVALENTS

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

d) INVENTORY

Inventory includes wrapping paper, scarves, toques and toys and is valued at the weighted average cost.

e) **TANGIBLE CAPITAL ASSETS**

Tangible capital assets are recorded at cost. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives as follows:

	Method	Rate
Computer and office equipment	straight line	3 years

f) **CONTRIBUTED MATERIALS & SERVICES**

Contributions of materials are recognized at fair market value only to the extent that they would normally be purchased and the fair value can be reasonably estimated.

Volunteers contribute a significant number of hours per year; estimated at 32,000 hours to assist the organization in carrying out its operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

g) **FINANCIAL INSTRUMENTS**

Initial and subsequent measurement

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred. Financial assets measured at amortized cost on a straight-line basis include cash and cash equivalents, trade and other accounts receivable. Financial liabilities measured at amortized cost on a straight-line basis include accounts payable, and wages payable reported as financial liabilities.

3. **INVESTMENTS**

Marketable securities consist of fixed income and equities quoted in an active market. These marketable securities are held for the long-term financial sustainability of the organization.

	2026 $	2025 $
Opening balance	1,485,934	1,551,640
Purchases	659,402	1,621,812
Disposals	(583,842)	(1,754,226)
Unrealized gain (loss) - prior year	(66,708)	-
Unrealized gain (loss) - current year	118,365	66,708
	1,613,151	1,485,934

4. ACCOUNTS RECEIVABLE

	2026	2025
	$	$
Goods and Services Tax receivable	6,645	7,394
Deposit receivable	14,943	5,000
	21,588	12,394

5. TANGIBLE CAPITAL ASSETS

	2026 $			2025 $		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
Computer and office equipment	51,146	50,567	579	51,146	49,988	1,158

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
	$	$
Trade accounts payable	3,598	589
Accrued expenses	6,525	5,903
Accrued wages payable	2,550	2,147
	12,673	8,639

7. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has internally restricted funds for future board initiatives. These funds are not available without the consent of the Board of Directors. Increase of $337,870 in 2026.

8. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis describes the Board's risk exposure.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in market interest rates. The Board monitors its investments to ensure that it's risk is minimized. Held in a major bank facility brokerage account.

9. PERMANENT ENDOWMENTS

The Winnipeg Foundation maintains a Fund known as The Christmas Cheer Board of Greater Winnipeg Inc. Fund. The Foundation preserves the capital contributed to these funds and distributes income generated from them to the Organization in perpetuity.

Ownership of the Consolidated Trust Fund is vested with the Winnipeg Foundation and are irrevocable.

The Winnipeg Foundation maintains a Fund known as Byrdye Beckel Scholarship/Bursery Fund. The Foundation preserves the capital contributed to these funds and annually awards an amount based on the available income. Funds contributed are irrevocable.

The Winnipeg Foundation maintains a Fund known as Kai Madsen Memorial Scholarship Fund. The Foundation preserves the capital contributed to these funds and annually awards an amount based on the available income. Funds contributed are irrevocable.

10. SUBSEQUENT EVENTS

On March 10, 2026, the Government of Manitoba, as represented by Manitoba Municipal Relations approved one-time funding of $1,000,000 for the on-going support of the organizations program activities.

11. COMPARATIVE FIGURES

Certain of the comparative figures have been restated to reflect the current presentation.

12. CASH FLOW STATEMENT

	2026 $	2025 $
Net changes in non-cash working capital affecting operations		
Accounts receivable	(9,194)	(619)
Prepaid expenses	(39,201)	251
Inventory	(12,308)	24,244
Accounts payable and accrued liabilities	4,033	1,280
	(56,670)	25,156

THE CHRISTMAS CHEER BOARD OF

GREATER WINNIPEG INC.

Schedule 1

SCHEDULE OF OPERATING EXPENDITURES

	Year Ended February 28	
	2026	2025
Advertising and promotion	30,481	21,912
Board meetings and annual general meeting	5,562	4,262
Food donations	24,600	88,906
Insurance	7,983	6,237
Interest and service charges	5,415	5,844
Office and sundry	16,914	17,112
Professional fees	13,401	12,325
Rent	61,817	85,784
Salaries and benefits	139,209	132,199
Technology support	26,137	35,173
Telephone	7,143	6,329
Travel	2,597	2,237
Workers' compensation	2,678	-
Volunteer recognition	11,173	11,138
	355,110	429,458

The accompanying notes are an integral part of these financial statements

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