

**THE CHRISTMAS CHEER BOARD OF
GREATER WINNIPEG INC.**

WINNIPEG, MB

FEBRUARY 29, 2024



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 29, 2024, 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 29, 2024, 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 29, 2024 and 2023, current assets as at February 29, 2024 and 2023, and net assets as at March 1 and February 29 for both the 2024 and 2023 years. The audit opinion on the financial statements for the year ended February 29, 2023 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.

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.

June 19, 2024
Winnipeg, Manitoba

Reid & Miller

Chartered Professional Accountants Inc.

**THE CHRISTMAS CHEER BOARD OF
GREATER WINNIPEG INC.
BALANCE SHEET
AS AT FEBRUARY 29**

	2024	2023
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,269,325	1,113,484
Marketable securities <i>(note 3)</i>	1,534,840	1,685,088
Accounts receivable <i>(note 4)</i>	11,775	3,812
Inventory <i>(note 2)</i>	59,436	-
Prepaid expenses	1,718	51,185
	<u>2,877,094</u>	<u>2,853,569</u>
TANGIBLE CAPITAL ASSETS <i>(note 5)</i>	<u>10,979</u>	<u>27,449</u>
	<u>2,888,073</u>	<u>2,881,018</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities <i>(note 6)</i>	<u>7,359</u>	<u>5,200</u>
	<u>7,359</u>	<u>5,200</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	1,556,391	385,025
INVESTMENT IN CAPITAL ASSETS	10,979	27,449
INTERNALLY RESTRICTED NET ASSETS <i>(note 7)</i>	<u>1,313,344</u>	<u>2,463,344</u>
	<u>2,880,714</u>	<u>2,875,818</u>
	<u>2,888,073</u>	<u>2,881,018</u>

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 29**

	2024	2023
	\$	\$
REVENUE		
Donations		
Individuals, churches, and other organizations	1,022,011	925,649
Donations - in kind	-	12,200
Online	314,986	322,126
Other	-	4,325
Winnipeg foundation grants	25,681	30,285
	<u>1,362,678</u>	<u>1,294,585</u>
COST OF SALES		
Wages and honorariums	3,500	500
Food	935,705	933,181
Toys	237,763	100,889
Delivery and warehouse	11,290	11,533
	<u>1,188,258</u>	<u>1,046,103</u>
GROSS PROFIT	<u>174,420</u>	<u>248,482</u>
OPERATING EXPENDITURES <i>(schedule 1)</i>	<u>301,362</u>	<u>226,731</u>
OPERATING INCOME (LOSS)	<u>(126,942)</u>	<u>21,751</u>
OTHER ITEMS		
Endowment contributions	-	(41,000)
Foreign exchange gain	-	2,069
Investment income	77,278	57,208
Investment management fees	(15,043)	(19,916)
Unrealized gain (loss)	86,073	(168,684)
	<u>148,308</u>	<u>(170,323)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE AMORTIZATION	21,366	(148,572)
AMORTIZATION		
Current	<u>16,470</u>	<u>16,470</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>4,896</u>	<u>(165,042)</u>

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 29				
	Internally restricted net assets	Investment in capital assets	Unrestricted net assets	2024 Total	2023 Total
NET ASSETS					
Balance, beginning of year	2,463,344	27,449	385,025	2,875,818	3,040,860
Excess (deficiency) of revenue over expenditure	-	(16,470)	21,366	4,896	(165,042)
Contributions to restricted funds	<u>(1,150,000)</u>	<u>-</u>	<u>1,150,000</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u><u>1,313,344</u></u>	<u><u>10,979</u></u>	<u><u>1,556,391</u></u>	<u><u>2,880,714</u></u>	<u><u>2,875,818</u></u>

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 29	
	2024	2023
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess (deficiency) of revenue over expenditure for the year	4,896	(165,042)
Items not affecting cash:		
Amortization	16,470	16,470
	<u>21,366</u>	<u>(148,572)</u>
Net changes in non-cash working capital affecting operations (<i>note 10</i>)	<u>(15,773)</u>	<u>(2,282)</u>
	<u>5,593</u>	<u>(150,854)</u>
INVESTING		
Redemption of marketable securities	(250,000)	-
Changes in marketable securities	400,248	838,945
	<u>150,248</u>	<u>838,945</u>
INCREASE IN CASH AND CASH EQUIVALENTS	155,841	688,091
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,113,484</u>	<u>425,393</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>1,269,325</u></u>	<u><u>1,113,484</u></u>

The accompanying notes are an integral part of these financial statements

**THE CHRISTMAS CHEER BOARD OF
GREATER WINNIPEG INC.
NOTES TO THE FINANCIAL STATEMENTS**

February 29, 2024

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) MEASUREMENT UNCERTAINTY

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 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.

**THE CHRISTMAS CHEER BOARD OF
GREATER WINNIPEG INC.
NOTES TO THE FINANCIAL STATEMENTS**

February 29, 2024

d) INVENTORY

Inventory includes wrapping paper, scarves, toques and toys and is valued at the lower of cost and replacement value.

Cost is determined on a first in first out basis.

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 SERVICES

The work of the Board is mainly dependent on the voluntary services of members and others and the donation of products to be used in hampers. Because of the difficulty of determining their fair value, the Board does not record the value of donated services 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. MARKETABLE SECURITIES

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.

4. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Goods and Services Tax receivable	8,418	3,812
Deposit receivable	2,799	-
Other receivables	558	-
	<u>11,775</u>	<u>3,812</u>

**THE CHRISTMAS CHEER BOARD OF
GREATER WINNIPEG INC.
NOTES TO THE FINANCIAL STATEMENTS**

February 29, 2024

5. TANGIBLE CAPITAL ASSETS

	2024			2023		
	\$			\$		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
Computer and office equipment	49,409	38,430	10,979	49,409	21,960	27,449

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Trade accounts payable	1,665	700
Accrued expenses	4,725	4,500
Accrued wages payable	969	-
	7,359	5,200

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.

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 its risk is minimized.

9. COMPARATIVE FIGURES

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

**THE CHRISTMAS CHEER BOARD OF
GREATER WINNIPEG INC.
NOTES TO THE FINANCIAL STATEMENTS**

February 29, 2024

10. CASH FLOW STATEMENT

	2024	2023
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(7,963)	3,823
Prepaid expenses	49,467	4,885
Inventory	(59,436)	-
Accounts payable and accrued liabilities	2,159	(9,652)
Government remittances payable	-	(1,338)
	<u>(15,773)</u>	<u>(2,282)</u>

**THE CHRISTMAS CHEER BOARD OF
GREATER WINNIPEG INC.**

Schedule 1

SCHEDULE OF OPERATING EXPENDITURES

	Year Ended February 29	
	2024	2023
Advertising and promotion	31,793	18,085
Board meetings and annual general meeting	2,708	3,300
Insurance	6,445	4,743
Interest and service charges	2,885	3,063
Office and sundry	9,864	39,921
Professional fees	10,691	11,546
Rent	81,121	12,300
Salaries and benefits	113,509	92,237
Technology support	21,109	28,959
Telephone	13,752	4,531
Travel	2,579	3,430
Utilities	-	1,805
Volunteer recognition	4,906	2,811
	<u>301,362</u>	<u>226,731</u>

The accompanying notes are an integral part of these financial statements



REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC