

Financial Statements of

**CHRISTMAS BUREAU
OF EDMONTON**

Year ended February 28, 2025

CHRISTMAS BUREAU OF EDMONTON

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Christmas Bureau of Edmonton

Qualified Opinion

We have audited the financial statements of Christmas Bureau of Edmonton (the Entity), which comprise:

- the statement of financial position as at February 28, 2025
 - the statement of operations for the year then ended
 - the statement of changes in net assets for the year then ended
 - the statement of cash flows for the year then ended
 - and notes to the financial statements, including a summary of significant accounting policies
- (Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at February 28, 2025, and its results of 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 Entity derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amount recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statement of financial position as at February 28, 2025
- the donations and deficiency of revenues over expenses reported in the statement of operations for the year then ended
- the unrestricted net assets, at the beginning and end of the year, reported in the statement of changes in net assets for the year then ended
- the deficiency of revenues over expenses reported in the statement of cash flows for the year then ended



Our opinion on the financial statements for the year ended February 28, 2025 was qualified 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 **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity 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 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 Entity'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 Entity's financial reporting process.

Auditor's 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 auditor's 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity 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
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

Edmonton, Canada

May 22, 2025

CHRISTMAS BUREAU OF EDMONTON

Statement of Financial Position

February 28, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 145,748	\$ 189,007
Accounts receivable	75,745	21,624
Gift cards and prepaid expenses (note 2)	195,973	86,761
Short term investments (note 3)	1,206,556	715,610
	<u>1,624,022</u>	<u>1,013,002</u>
Investments (note 3)	22,380	826,186
Client database software (note 4)	95,472	98,420
	<u>117,852</u>	<u>924,606</u>
	<u>\$ 1,741,874</u>	<u>\$ 1,937,608</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 401,200	\$ 118,536
Deferred revenue (note 5)	34,382	-
	<u>435,582</u>	<u>118,536</u>
Net assets:		
Invested in capital assets (note 6)	95,472	98,420
Internally restricted	633,580	633,580
Unrestricted	577,240	1,087,072
	<u>1,306,292</u>	<u>1,819,072</u>
Commitments (note 7)		
Contingent liabilities (note 8)		
	<u>\$ 1,741,874</u>	<u>\$ 1,937,608</u>

See accompanying notes to financial statements.

On behalf of the Board:


Barbara McKenzie (May 26, 2025 12:08 MDT) Director


Heather Murk (May 26, 2025 23:16 MDT) Director

CHRISTMAS BUREAU OF EDMONTON

Statement of Operations

Year ended February 28, 2025, with comparative information for 2024

	2025	2024
Revenue:		
General donations	\$ 1,535,887	\$ 1,827,906
In-kind donations (note 9)	104,266	82,729
Interest income	70,067	65,164
Grants	10,300	13,250
	<u>1,720,520</u>	<u>1,989,049</u>
Expenses:		
Charitable program	1,375,000	1,478,515
Fundraising (note 10)	333,245	363,687
Management and administration	227,158	230,934
Office supplies and communication	49,071	54,461
Occupancy costs (note 7)	92,319	45,879
Professional fees	42,160	44,556
Bank charges	45,002	29,997
Miscellaneous	23,106	32,964
Computer maintenance	31,269	23,291
Amortization of capital assets and intangible assets	9,000	10,622
Insurance	5,970	5,909
	<u>2,233,300</u>	<u>2,320,815</u>
Deficiency of revenues over expenses	\$ (512,780)	\$ (331,766)

See accompanying notes to financial statements.

CHRISTMAS BUREAU OF EDMONTON

Statement of Changes in Net Assets

Year ended February 28, 2025, with comparative information for 2024

		Invested in capital and intangible assets	Internally restricted	Unrestricted	Total 2025	Total 2024
Balance, beginning of year	\$	98,420	\$ 633,580	\$ 1,087,072	\$ 1,819,072	\$ 2,150,838
Deficiency of revenue over expenditures		(9,000)	-	(503,780)	(512,780)	(331,766)
Purchase of intangible assets		6,052	-	(6,052)	-	-
	\$	95,472	\$ 633,580	\$ 577,240	\$ 1,306,292	\$ 1,819,072

See accompanying notes to financial statements.

CHRISTMAS BUREAU OF EDMONTON

Statement of Cash Flows

Year ended February 28, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenditures	\$ (512,780)	\$ (331,766)
Items not involving cash:		
Amortization of capital assets	-	1,622
Amortization of intangible assets	9,000	9,000
Accrued interest income	(19,370)	-
Change in non-cash operating working capital:		
Accounts receivable	(54,121)	2,196
Gift cards and prepaid expenses	(109,212)	(48,398)
Accounts payable and accrued liabilities	282,664	(63,141)
Deferred revenue	34,382	(88,105)
	(369,437)	(518,592)
Investing:		
Purchase of investments	(354,649)	(1,515,508)
Maturity of investments	686,879	1,476,115
Purchase of intangible asset	(6,052)	(18,475)
	326,178	(57,868)
Decrease in cash	(43,259)	(576,460)
Cash, beginning of year	189,007	765,467
Cash, end of year	\$ 145,748	\$ 189,007

See accompanying notes to financial statements.

CHRISTMAS BUREAU OF EDMONTON

Notes to Financial Statements

Year ended February 28, 2025

Non-denominational and accessible to all Edmontonians in need, the Christmas Bureau of Edmonton (the "Bureau") raises funds to provide a festive meal to Edmonton families, seniors and individuals. Approximately 50% of the clients served are children and teens under the age of 18 years. The Bureau also raises funds for the Christmas Bureau of Edmonton Adopt-A-Teen program which provides teens aged 13 to 17 years of age a Christmas gift card. The Bureau is incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act and therefore is exempt from paying tax.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations being Part III of the CPA Canada Handbook - Accounting.

(b) Revenue recognition:

The Bureau follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses 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. Contributions of capital assets and contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

CHRISTMAS BUREAU OF EDMONTON

Notes to Financial Statements (continued)

Year ended February 28, 2025

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Bureau determines if there is significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Bureau expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Volunteer services and contributed materials:

Volunteers contribute a significant amount of time each year to assist the Bureau in carrying out its programs and services. Volunteer services are not recognized in these financial statements as their fair values cannot be reasonably determined.

The Bureau also offers a Hamper Program to serve Edmontonians in need. Volunteers contribute funds and purchase hamper items, which are then delivered directly to the deserving family in person. These donated materials are not recorded in these financial statements unless a fair value can be reasonably determined.

Contributed materials and services are recorded at fair value when they would have otherwise been purchased and when a fair value can be reasonably estimated.

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Significant estimates included in these financial statements include allowances for doubtful accounts, the useful lives of capital assets and intangible assets, and the related amortization methods and rates and estimates of fair value for in-kind donations.

CHRISTMAS BUREAU OF EDMONTON

Notes to Financial Statements (continued)

Year ended February 28, 2025

1. Significant accounting policies (continued):

(f) Capital management:

The Bureau's objectives when managing capital are to safeguard the Bureau's ability to continue as a going concern and so it can continue to provide services to the community at large.

The Bureau sets the sufficiency of capital to maintain the liquidity required to meet the service needs of the stakeholders and makes adjustments to its capital, through appropriation from unrestricted net assets to respond to potential changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, management looks forward to future needs and will recommend appropriation of additional unrestricted amounts to secure capital appropriations.

The Bureau maintains unrestricted net assets to meet those potential appropriations noted above and to ensure there are sufficient funds, defined as twelve months of operating expenditures, available to the Bureau to provide time to respond to changes in economic circumstances.

(g) Capital assets:

Property, plant and equipment are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method and following annual rates:

Asset	Rate
Furniture and fixtures	5-20 years
Computer hardware	5-20 years

(h) Intangible assets:

Development activities are recognized as an intangible asset provided they meet the capitalization criteria, which include the Bureau's ability to demonstrate the software element to be identifiable, be controlled by the enterprise, and have future economic benefits that would flow to the enterprise. The assets are amortized on a straight-line over their estimated useful lives of 10 years unless the life is determined to be indefinite.

(i) Impairment of long lived assets:

The carrying amount of long lived assets, which includes capital assets and intangible assets, is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

CHRISTMAS BUREAU OF EDMONTON

Notes to Financial Statements (continued)

Year ended February 28, 2025

2. Gift cards and prepaid expenses:

	2025	2024
Sobeys gift cards	\$ 78,440	\$ 12,310
Walmart gift cards (Adopt-A-Teen)	73,600	66,600
Rent	36,252	-
Prepaid insurance	5,706	5,451
Co-op gift cards	1,975	2,400
	\$ 195,973	\$ 86,761

During the year, the Bureau signed a new one year lease agreement. As part of the lease agreement, the Bureau paid the rent for the year and the portion above relates to the next fiscal year. The Bureau's landlord subsequently donated an equivalent amount back to the Bureau and as such has recorded in-kind revenue related to the donation (note 9). A portion of the revenue has been deferred (note 5) and will be recognized in the next fiscal year matching the rent expense.

3. Investments:

	2025	2024
Short term:		
Guaranteed investment certificates	\$ 1,195,528	\$ 686,879
Servus Patronage Rewards	791	483
Accrued investment income	10,237	28,248
	1,206,556	715,610
Long term:		
Guaranteed investment certificates	-	804,867
Servus Credit Union Ltd., patronage shares	22,380	21,319
	22,380	826,186
	\$ 1,228,936	\$ 1,541,796

CHRISTMAS BUREAU OF EDMONTON

Notes to Financial Statements (continued)

Year ended February 28, 2025

3. Investments (continued):

The Guaranteed Investment Certificates are subject to various interest rates from 3.5% to 5.30% (2024 - 4.10% to 5.30%), with maturity dates ranging from November 1, 2025 to January 5, 2026.

Included in the short-term portion (2024 - long-term) of the guaranteed investment certificates is \$285,186 (2024 - \$270,832) which is restricted from the Bureau's use as it has been pledged as security for the letter of credit as disclosed in note 8.

4. Client database software:

The Bureau commissioned developers to create a database to track and manage client information.

The database is amortized on a straight-line basis over its ten-year useful life. The database is to be reviewed for impairment annually.

		Cost	Accumulated amortization	2025	2024
Client Database	\$	122,472	\$ (27,000)	\$ 95,472	\$ 98,420
	\$	122,472	\$ (27,000)	\$ 95,472	\$ 98,420

5. Deferred revenue:

	2025	2024
Balance, beginning of year	\$ -	\$ 88,105
Contributions received	82,517	-
Revenue recognized for qualifying expenditures	(48,135)	(88,105)
Deferred revenue, end of year	\$ 34,382	\$ -

As disclosed in note 2, deferred revenue consists of a rent donation received from Connect First and Servus Credit Union Ltd. for the period of August 2024 - July 2025 for the building being occupied by the Bureau.

CHRISTMAS BUREAU OF EDMONTON

Notes to Financial Statements (continued)

Year ended February 28, 2025

6. Net assets balances:

Invested in capital assets is calculated as follows:

	2025	2024
Invested in capital assets		
Opening capital assets	\$ 98,420	\$ 90,567
Purchase of intangible asset	6,052	18,475
Amortization of capital assets	-	(1,622)
Amortization of intangible assets	(9,000)	(9,000)
	95,472	98,420

Internally restricted balances consist of:

Management and the Board have established an internally restricted fund for certain strategic initiatives at the Bureau. As at February 28, 2025 the internally restricted balance is \$633,580 (2024 - \$633,580).

7. Commitments:

The Bureau (tenant) entered into a one year lease agreement with Connect First and Servus Credit Union Ltd., with an annual fee of \$82,516 for the period of August 2024 - July 2025. The terms of this agreement included a cheque donation to the Bureau equal to the amount of the lease. The amount has been fully paid for as at year end.

8. Contingent liabilities:

The Bureau has entered into a letter of credit with Servus Credit Union Inc. for \$1,000,000 (2024 - \$1,000,000) bearing interest at bank prime rate plus 1% and an annual fee of \$10,000. The letter of credit is pledged to cover unpaid purchases of gift cards. Included in accounts payable is \$298,749 (2024 - \$nil) for unpaid gift cards. As at February 28, 2025 no funds have been advanced on this letter of credit and no liability has been recorded.

In addition to the letter of credit, the Bureau has a \$400,000 line of credit with Servus Credit Union Inc. The line of credit is due on demand, bears interest at prime plus 0.50% and is unsecured. As at February 28, 2025 the balance drawn on the line of credit was \$nil (2024 - \$nil). Interest expense on the line of credit for the year was \$4,958 (2024 - \$nil).

CHRISTMAS BUREAU OF EDMONTON

Notes to Financial Statements (continued)

Year ended February 28, 2025

9. In-kind donations:

In-kind donations include the following items:

	2025	2024
Rent (note 2)	\$ 48,135	\$ -
Gift cards	48,101	54,388
Fundraising	4,250	10,020
Advertising and promotion	3,780	17,883
Volunteers	-	338
Other	-	100
	\$ 104,266	\$ 82,729

The items noted above have been recorded at fair value in revenue and the respective expenses to which they relate.

10. Fundraising:

	2025	2024
Salaries and benefits	\$ 180,455	\$ 180,734
Advertising and promotion	94,119	118,551
Fund development	58,671	64,402
	\$ 333,245	\$ 363,687

CHRISTMAS BUREAU OF EDMONTON

Notes to Financial Statements (continued)

Year ended February 28, 2025

11. Risk management:

The Bureau has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments, including a formal investment policy. The risks that arise from transacting financial instruments include credit risk, liquidity risk and interest risk.

(a) Liquidity risk:

Liquidity risk is the risk that the Bureau will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Bureau manages its liquidity risk by monitoring its operating requirements. The Bureau prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The most significant liquidity risk facing the Bureau is if Sobey's Inc. calls the letter of credit as disclosed in Note 8. Management believes this letter of credit will not be called. There has been no change to the risk exposures from 2024.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Bureau is exposed to credit risk with respect to the accounts receivable. The Bureau assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(c) Interest rate risk:

Interest rate risk is the risk that cash flows of the Bureau may change due to changes in interest rates. The Bureau manages this risk by investing in guaranteed investment certificates with fixed rates of interest. As the investments mature, the Bureau will be subject to interest rate risk, due to changes in market interest rates at that time.









2025-02-28 Christmas Bureau of Edmonton - FS-AUD

Final Audit Report

2025-05-27

Created:	2025-05-26
By:	Adam Zawadiuk (adamz@christmasbureau.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAbZFuwawP0_CsHWA-KozkEYK8JLCj_Pfb-

"2025-02-28 Christmas Bureau of Edmonton - FS-AUD" History

-  Document created by Adam Zawadiuk (adamz@christmasbureau.ca)
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-  Document emailed to Barbara McKenzie (barbara.mckenzie@msdcorp.ca) for signature
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-  Document e-signed by Barbara McKenzie (barbara.mckenzie@msdcorp.ca)
Signature Date: 2025-05-26 - 6:08:30 PM GMT - Time Source: server
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2025-05-27 - 5:16:51 AM GMT