

**The Christmas Cheer Fund (In Trust)**  
**Financial Statements**  
**For the year ended March 31, 2017**

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Tel: 705 945 0990  
Fax: 705 942 7979  
Toll-Free: 800 520 3005  
www.bdo.ca

BDO Canada LLP  
747 Queen Street E  
PO Box 1109  
Sault Ste. Marie ON P6A 5N7 Canada

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## Independent Auditor's Report

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### To the Members of United Way of Sault Ste. Marie & District

We have audited the accompanying financial statements of The Christmas Cheer Fund (In Trust), which comprise the statement of financial position as at March 31, 2017 and the statements of operations and fund balance and cash flows 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 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 an audit to obtain reasonable assurance whether the financial statements are free of 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 control 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 control. 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.

#### **Basis for Qualified Opinion**

In common with many charitable organizations, the organization derives revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our 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 revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2017 and 2016, and current assets as at March 31, 2017 and 2016 and net assets as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion, the financial statements present fairly, in all material respects, the financial position of The Christmas Cheer Fund (In Trust) as at March 31, 2017 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.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
June 21, 2017

**The Christmas Cheer Fund (In Trust)**  
**Statement of Financial Position**

March 31	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 88,119	\$ 103,516
Accounts receivable	869	592
	\$ 88,988	\$ 104,108
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 396	\$ -
Due to the United Way of Sault Ste. Marie & District	5,788	6,250
Deferred revenue	92,250	97,134
	98,434	103,384
<b>Fund balance</b>	<b>(9,446)</b>	<b>724</b>
	\$ 88,988	\$ 104,108

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**The Christmas Cheer Fund (In Trust)**  
**Statement of Operations and Fund Balance**

<b>For the year ended March 31</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Sault Star Santa Claus Fund	<u>\$ 97,134</u>	<u>\$ 97,054</u>
<b>Expenses</b>		
Administration fees	10,000	10,000
Christmas Cheer	85,911	84,838
Office expenses	<u>11,393</u>	<u>7,876</u>
	<u>107,304</u>	<u>102,714</u>
<b>Deficiency of revenue over expenses</b>	<b>(10,170)</b>	<b>(5,660)</b>
<b>Fund balance, beginning of year</b>	<u>724</u>	<u>6,384</u>
<b>Fund balance, end of year</b>	<u>\$ (9,446)</u>	<u>\$ 724</u>

The accompanying notes are an integral part of these financial statements.

**The Christmas Cheer Fund (In Trust)**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Deficiency of revenues over expenses	\$ (10,170)	\$ (5,660)
Changes in non-cash working capital balances		
Decrease (increase) in accounts receivable	(277)	112
Increase in accounts payable and accrued liabilities	396	-
Decrease in due to the United Way	(462)	(366)
Increase (decrease) in deferred revenue	(4,884)	80
<b>Net decrease in cash during the year</b>	<b>(15,397)</b>	<b>(5,834)</b>
<b>Cash, beginning of year</b>	<b>103,516</b>	<b>109,350</b>
<b>Cash, end of year</b>	<b>\$ 88,119</b>	<b>\$ 103,516</b>

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## The Christmas Cheer Fund (In Trust) Note to Financial Statements

**March 31, 2017**

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### 1. Significant accounting policies

- Nature of Operations** The Christmas Cheer Fund (In Trust), is administered by the United Way of Sault Ste. Marie & District. This administration includes the accounting of receipts and disbursements only. All disbursement decisions are made by Christmas Cheer, an independent body. The Fund is supported annually by donations from the Sault Star Santa Claus Fund and miscellaneous donations.
- Basis of Accounting** These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profits.
- Revenue Recognition** The Fund follows the deferral method of accounting for contributions. Revenue received in the current period for specific purposes is deferred until the related expenditures are incurred.
- Contributed Services** Volunteers assist the Fund in carrying out its various service delivery activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.
- Use of Estimates** The preparation of financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from managements best estimates as additional information becomes available in the future.
- Financial Instruments** Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, they are reported at cost or amortized cost less impairment, if applicable.