

**WINNIPEG FILM GROUP INC.**

**Financial Statements**

**Year Ended June 30, 2025**

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Winnipeg Film Group Inc.

### *Opinion*

We have audited the financial statements of Winnipeg Film Group Inc. (the "organization"), which comprise the statement of financial position as at June 30, 2025, and the statements of revenues and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

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 report. We are independent of the organization in accordance with 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 ASNPO, 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.



*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 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 organization'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 organization'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 organization 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.

Winnipeg, Manitoba  
March 5, 2026



Chartered Professional Accountants Inc.

**WINNIPEG FILM GROUP INC.**

**Statement of Financial Position**

**June 30, 2025**

	Operating Fund	Capital Fund	Restricted Fund	Total 2025	Total 2024
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash (Note 3)	\$ 166,377	\$ -	\$ -	\$ 166,377	\$ 158,831
Accounts receivable (Note 4)	51,312	-	-	51,312	99,342
Inventory	26,007	-	-	26,007	26,007
Prepaid expenses	12,282	-	-	12,282	68,295
	255,978	-	-	255,978	352,475
CAPITAL ASSETS (Note 6)	-	280,393	-	280,393	332,361
RESTRICTED CASH (Note 7)	-	-	77,585	77,585	72,437
	\$ 255,978	\$ 280,393	\$ 77,585	\$ 613,956	\$ 757,273

**WINNIPEG FILM GROUP INC.**

**Statement of Financial Position**

**June 30, 2025**

	Operating Fund	Capital Fund	Restricted Fund	Total 2025	Total 2024
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities	\$ 55,353	\$ -	\$ -	\$ 55,353	\$ 69,650
Government remittances payable (Note 5)	6,149	-	-	6,149	1,268
Deferred revenue (Note 8)	290,243	-	-	290,243	352,722
	351,745	-	-	351,745	423,640
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL</b>					
ASSETS (Note 9)	-	195,206	-	195,206	272,435
	351,745	195,206	-	546,951	696,075
<b>NET ASSETS</b>					
Unrestricted	(95,767)	-	-	(95,767)	(71,165)
Externally restricted (Note 7)	-	-	62,500	62,500	62,500
Internally restricted (Note 7)	-	-	15,085	15,085	9,937
Invested in capital assets	-	85,187	-	85,187	59,926
	(95,767)	85,187	77,585	67,005	61,198
	\$ 255,978	\$ 280,393	\$ 77,585	\$ 613,956	\$ 757,273

**APPROVED BY THE DIRECTOR**

 \_\_\_\_\_ Director

**WINNIPEG FILM GROUP INC.**  
**Statement of Revenues and Expenditures**  
**Year Ended June 30, 2025**

	Operating Fund	Capital Fund	2025	2024
<b>REVENUES (Schedule 1 &amp; 3)</b>				
Cinematheque	\$ 467,510	\$ 28,731	\$ 496,241	\$ 496,239
Distribution	185,088	4,502	189,590	162,686
Production	386,483	43,995	430,478	442,146
	1,039,081	77,228	1,116,309	1,101,071
<b>EXPENSES (Schedule 2 &amp; 4)</b>				
Cinematheque	471,242	25,138	496,380	558,620
Distribution	204,061	6,375	210,436	236,471
Production	376,090	27,596	403,686	506,522
	1,051,393	59,109	1,110,502	1,301,613
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>				
	(12,312)	18,119	5,807	(200,542)
<b>OTHER INCOME</b>				
Forgiveable portion of CEBA loan	-	-	-	20,000
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>				
	\$ (12,312)	\$ 18,119	\$ 5,807	\$ (180,542)

**WINNIPEG FILM GROUP INC.**  
**Statement of Changes in Net Assets**  
**Year Ended June 30, 2025**

	Unrestricted Fund	Restricted Fund (Note 7)	Invested in Capital Assets	2025	2024
<b>NET ASSETS -</b>					
<b>BEGINNING OF YEAR</b> \$	(71,165) \$	72,437 \$	59,926 \$	<b>61,198</b> \$	241,740
Excess (deficiency) of revenues over expenses	(17,460)	5,148	18,119	<b>5,807</b>	(180,542)
Purchase of capital assets	(7,142)	-	7,142	-	-
<b>NET ASSETS - END OF</b>					
<b>YEAR</b>	\$ (95,767) \$	77,585 \$	85,187 \$	<b>67,005</b> \$	61,198

**WINNIPEG FILM GROUP INC.****Statement of Cash Flows****Year Ended June 30, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 5,807	\$ (180,542)
<b>ITEMS NOT AFFECTING CASH:</b>		
Amortization of capital assets	59,110	98,068
Amortization of deferred contributions related to capital assets	(77,229)	(36,938)
Forgiveable portion of CEBA loan	-	(20,000)
	<b>(12,312)</b>	<b>(139,412)</b>
Changes in non-cash working capital:		
Accounts receivable	48,030	45,524
Government remittances recoverable	4,881	10,926
Prepaid expenses	56,013	(38,695)
Accounts payable and accrued liabilities	(14,297)	(20,755)
	<b>94,627</b>	<b>(3,000)</b>
Cash flow from (used by) operating activities	<b>82,315</b>	<b>(142,412)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(7,142)	(279,442)
Proceeds on disposal of capital assets	-	212,945
Cash flow used by investing activities	<b>(7,142)</b>	<b>(66,497)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	-	(40,000)
Deferred revenues received	170,243	352,720
Deferred revenues expended	(232,722)	(390,894)
Cash flow used by financing activities	<b>(62,479)</b>	<b>(78,174)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>12,694</b>	<b>(287,083)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>231,268</b>	<b>606,962</b>
<b>CASH - END OF YEAR</b>	<b>\$ 243,962</b>	<b>\$ 319,879</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 166,377	\$ 158,831
Restricted Cash	77,585	72,437
	<b>\$ 243,962</b>	<b>\$ 231,268</b>

## WINNIPEG FILM GROUP INC.

### Notes to Financial Statements

Year Ended June 30, 2025

---

#### 1. PURPOSE OF THE ORGANIZATION

Winnipeg Film Group Inc. (the "Organization") is an artist run education, production, exhibition, and distribution centre committed to promoting the art of independent cinema. The Organization's vision is to be a world class film centre in Manitoba that supports filmmakers, engages the community and expands the appreciation of independent cinema.

The Organization is incorporated under the laws of the Province of Manitoba and is a registered charity under the Income Tax Act.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

##### Fund accounting

These financial statements include the following funds:

- The Operating Fund reports the assets, liabilities, revenue and expenditures related to the Organization's operating activities.
- The Capital Fund reports the assets, liabilities, revenue and expenditures related to the Organization's capital assets.
- The Restricted Fund reports externally and internally restricted reserves as follows:
  - An externally restricted working capital reserve. The working capital reserve, originally provided by Arts Stabilization Manitoba Inc. on the basis that the reserve be maintained in perpetuity, is to act as an internal line of credit, to be borrowed and utilized in operations during periods of negative cash flow and be repaid within the annual fiscal period.
  - An internally restricted reserve to meet the deductible required by the Organization's insurance terms of coverage.

##### Revenue recognition

Winnipeg Film Group Inc. follows the deferral method of accounting for contributions.

Unrestricted grant revenue for ongoing operations throughout the year are recognized at the time they are awarded.

Restricted grant revenue for projects and specific purposes are recognized in the period in which the related expenditures are incurred.

Ticket sales revenue is recognized in the period that the event occurs.

Rental revenue is recognized in the period of use of the rental asset.

Membership revenue is recognized over the membership period.

Investment revenue is recognized over the period earned.

*(continues)*

## WINNIPEG FILM GROUP INC.

### Notes to Financial Statements

Year Ended June 30, 2025

---

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Inventory

Inventory is comprised of film stock, DVD and books for sale and is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

##### Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Furniture, fixtures and cinema renovations	10 years	straight-line method
Film and video equipment	5 years	straight-line method
Corporate identity, website software, and office computers	3 years	straight-line method

##### Deferred contributions for capital assets

Contributions received relating to the acquisition of capital assets are recorded on the statement of financial position as a deferral, and recognized as revenue annually at the same rate as the amortization of the related capital assets acquired.

##### Accounting for cloud computing arrangements

The organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the organization recognizes expenditures related to the elements in the cloud computing engagement as an expense incurred.

##### Financial instruments

The Organization recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. Financial instruments, except for financial assets with actively traded markets, are initially recorded at fair value with subsequent reporting at amortized cost. In subsequent periods, financial assets with actively traded markets are reported at fair value with any unrealized gains and losses reported in the statement of operations.

##### Allocation of expenditures

The Organization classifies its expenditures by program and allocates its administrative expenditures to a number of programs to which the expenditures relate. Administrative expenditures that are not directly connected to any one program have been allocated 40% to Cinematheque, 40% to Production and 20% to Distribution.

#### 3. LINE OF CREDIT

A line of credit has been authorized by Assiniboine Credit Union to a maximum of \$20,000 (2024 - \$20,000) and bears interest at prime plus 3% per annum, currently 7.95% (2024 - 9.95%), of which \$20,000 (2024 - \$20,000) is secured by a General Security Agreement. The line of credit was not in use at June 30, 2025.

**WINNIPEG FILM GROUP INC.****Notes to Financial Statements****Year Ended June 30, 2025**

## 4. ACCOUNTS RECEIVABLE

	2025	2024
Accounts receivable	\$ 47,106	\$ 96,041
Awards receivable	5,000	4,095
Subtotal	52,106	100,136
Allowance for doubtful accounts	(794)	(794)
	<b>\$ 51,312</b>	<b>\$ 99,342</b>

## 5. GOVERNMENT REMITTANCES RECOVERABLE (PAYABLE)

	2025	2024
Goods and services tax	\$ (1,339)	\$ 521
Provincial sales tax	(4,810)	(1,789)
	<b>\$ (6,149)</b>	<b>\$ (1,268)</b>

## 6. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value
Administration equipment	\$ 106,189	\$ 94,579	\$ 11,610
Cinematheque renovations - box office	143,623	21,543	122,080
Cinematheque renovations and equipment	647,074	609,523	37,551
Corporate identity	2,067	2,067	-
Distribution equipment	108,510	107,640	870
Production equipment	737,597	645,574	92,023
Website	150,459	134,200	16,259
	<b>\$ 1,895,519</b>	<b>\$ 1,615,126</b>	<b>\$ 280,393</b>

*(continues)*

**WINNIPEG FILM GROUP INC.**

**Notes to Financial Statements**

**Year Ended June 30, 2025**

6. CAPITAL ASSETS *(continued)*

	Cost	Accumulated amortization	2024 Net book value
Administration equipment	\$ 99,047	\$ 93,452	\$ 5,595
Cinematheque renovations - box office	143,623	7,181	136,442
Cinematheque renovations and equipment	647,074	608,330	38,744
Corporate identity	2,067	2,067	-
Distribution equipment	108,510	106,056	2,454
Production equipment	737,597	627,561	110,036
Website	150,459	111,369	39,090
	<b>\$ 1,888,377</b>	<b>\$ 1,556,016</b>	<b>\$ 332,361</b>

7. RESTRICTED CASH

The \$77,585 (2024 - \$72,437) of restricted cash consists of \$62,500 (2024 - \$62,500) externally restricted for the Working Capital reserve, \$3,025 (2024 - \$543) internally restricted donations in the name of Dave Barber, \$9,560 (2024 - 6,894) internally restricted donations in the name of Jaimz Asmundo, and \$2,500 (2024 - \$2,500) internally restricted for insurance purposes. As there is an ongoing commitment that the reserves remain funded, the cash has been classified as a long-term asset. The internally restricted assets for donations increased by \$5,148 (2024 \$12,706) in the current year.

8. DEFERRED REVENUE

	2024	Additions	Transfer to Deferred Contributions related to Capital Assets	Revenue recognized	2025
Grants	\$ 346,160	\$ 162,743	\$ -	\$ (226,160)	\$ <b>282,743</b>
Production awards	6,562	7,500	-	(6,562)	<b>7,500</b>
	<b>\$ 352,722</b>	<b>\$ 170,243</b>	<b>\$ -</b>	<b>\$ (232,722)</b>	<b>\$ 290,243</b>

9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2024	Additions	Amortization	2025
Cinematheque renovations - Box Office	\$ 116,951	\$ -	\$ (6,497)	\$ 110,454
Cinematheque renovations & equipment	35,973	-	(22,233)	13,740
Distribution equipment	11,401	-	(4,502)	6,899
Production equipment	108,110	-	(43,997)	64,113
	<b>\$ 272,435</b>	<b>\$ -</b>	<b>\$ (77,229)</b>	<b>\$ 195,206</b>

**WINNIPEG FILM GROUP INC.**

**Notes to Financial Statements**

**Year Ended June 30, 2025**

---

10. LEASE COMMITMENT

The Organization leases certain premises in the Artspace building under an agreement to January 31, 2051. Rental charges are adjusted each year on September 1st. The minimum annual rental charge over this period is \$63,018.

11. FINANCIAL INSTRUMENTS

It is management's opinion that the Organization is not exposed to significant credit, currency, interest rate, liquidity, market or other price risks arising from its financial instruments.

12. ECONOMIC DEPENDENCE

The volume of financial activity undertaken by the Organization with its funding bodies is of sufficient magnitude that the discontinuance of funding would endanger the ability of the Organization to continue as a going concern.