



Executive Director's Message

A flexible approach to providing free books and literacy activities continued to be the way the Book Bank fulfilled its mission in 2021. We employed every means possible to connect children with physical books and took to the digital 'air waves' with an array of on-line programming. This included our Summer Reading program, renamed the Bookworms program, which proved to be so popular it kept running through the fall, as well as our Mental Health Storytimes, supported by dedicated volunteers each week on our YouTube channel. The storefront on Berkeley Street opened to a limited number of visitors from July to November and then, after months of preparation, the organization embarked on moving its programming space to Daniels Spectrum and our supply of books to a new warehouse space at 561 Sherbourne Street. On some of the coldest days of the winter, it was the good cheer and hard work of volunteers and staff who got the move done. While we'll never forget 350 Berkeley Street as the birthplace of our impactful mission – so much love for reading was nourished there – the opening of our welcoming and attractive storefront in the heart of the Regent Park community marks a new phase of growth and financial stability for The Children's Book Bank. We are so grateful to our generous donors who remained committed to supporting our programming in 2021 and who made the enormous feat of our move to two different locations possible.

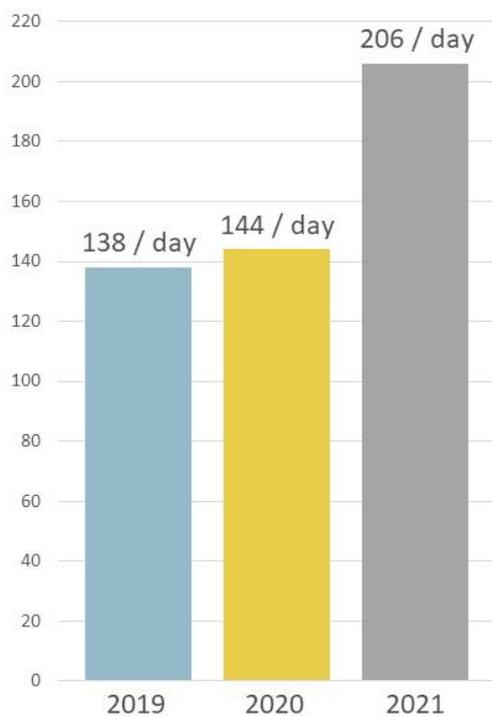
Mary & Kelly

Books Given Away

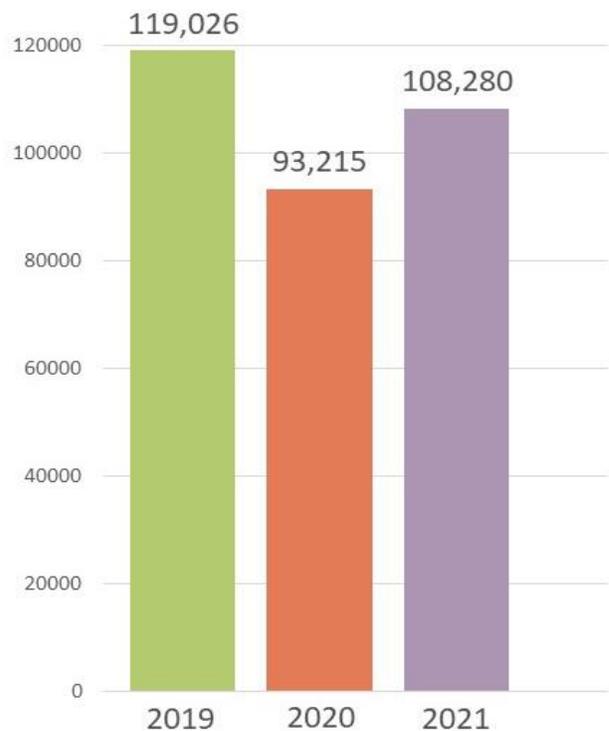
Despite the ongoing challenges brought on by the pandemic, the Book Bank gave away more books in 2021 than it did in 2020. This was achieved by continuing to expand outreach efforts and being flexible and creative with our delivery methods at our storefront location.

While our storefront was open 149 days during 2021, we were only able to welcome visitors inside on 84 of those days.

Books given away per day at storefront

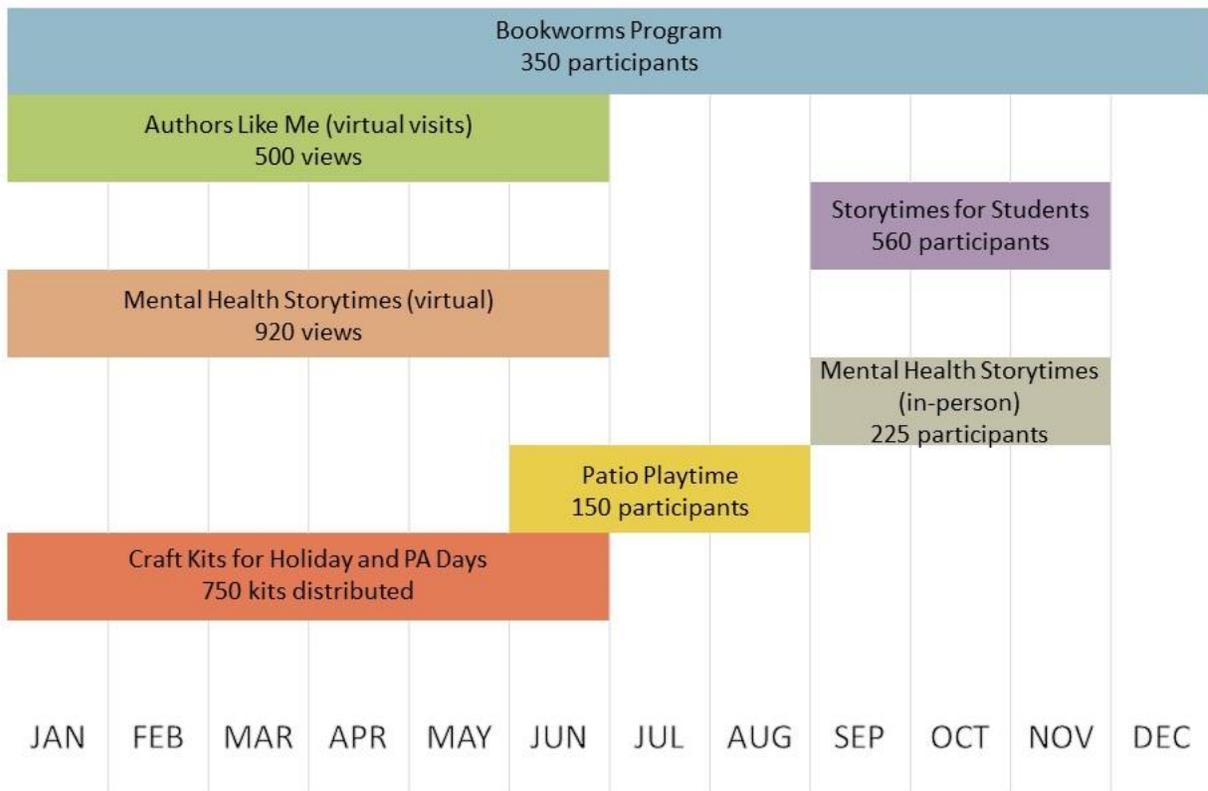


Total number of books given away



Program Engagement

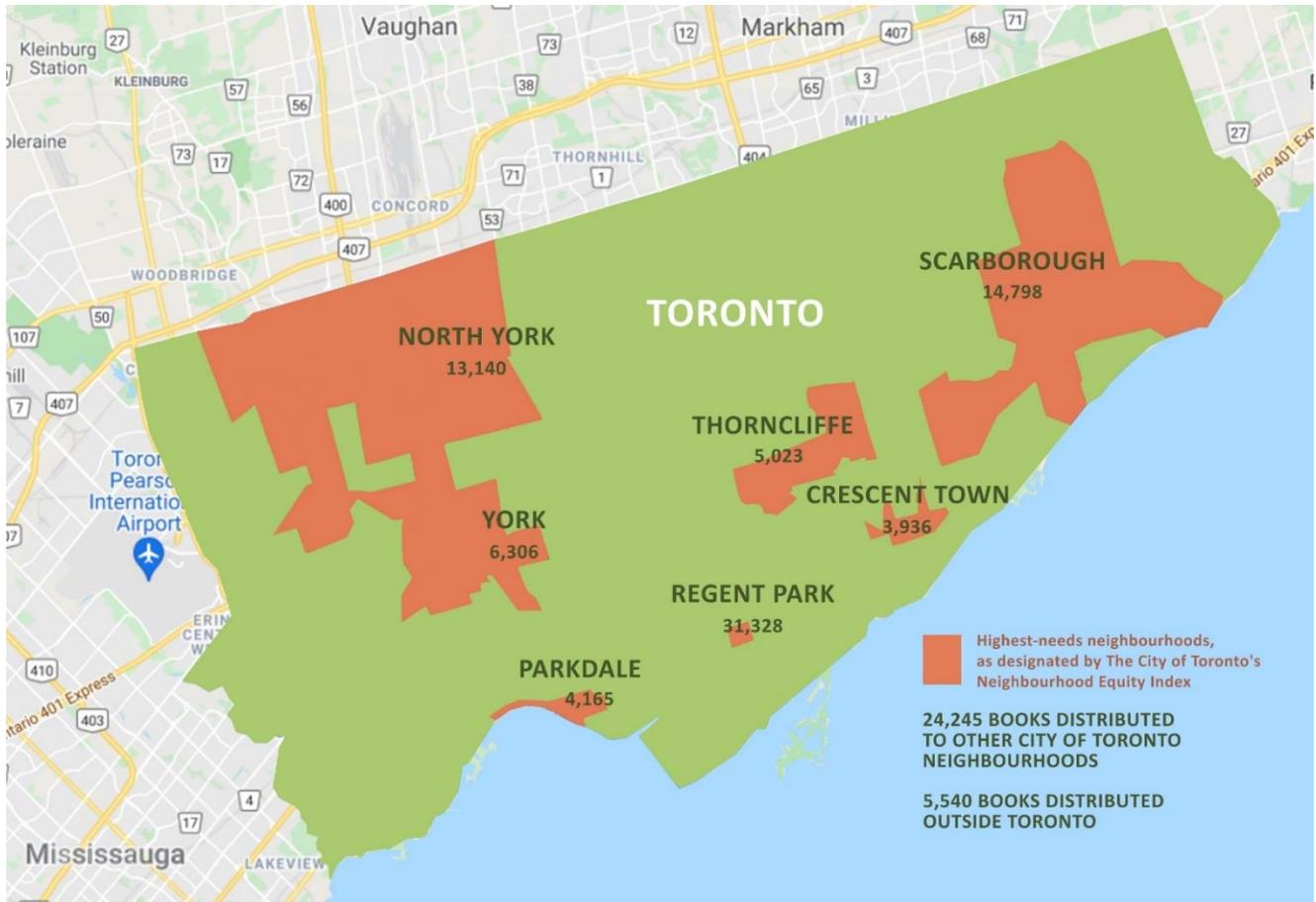
Our programming encouraged families to get involved in person when possible but also continued online. This included our reading program, **Bookworms**, which was so popular it ran throughout the year, providing children multiple opportunities to share their book reviews with volunteers who listened, asked questions and helped participants reach reading milestones and gain confidence. Our **Mental Health Storytimes** program encouraged children ages 3-8 to explore sensitive issues using picture books, while our **Authors Like Me** program celebrated the diverse voices and experiences found in the books we share.



3,455 children participated in either in-person or virtual programming



Books Across the City



In 2021, The Children's Book Bank added 59 new agencies and community organizations to its growing list of partners.

There are now over 100 agencies, which include Community Health Centres, Shelters, Settlement Agencies, EarlyON Centres and Food Banks, who regularly receive books from The Children's Book Bank and distribute those books to children and families living in high needs neighbourhoods.





Donors

Thank you to our supporting Foundations and Corporate Sponsors

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Aubrey & Marla Dan Foundation

The Barkin Family, in memory of
Jennifer Barkin

The Betty Averbach Foundation

The Bickle-Wilder Foundation

BMO Bank of Montreal

Butterfield Family Foundation

Canada Summer Jobs

Charles and Tonya Lesaux

Dawn Tattle Family Foundation

East York Scarborough Reading
Association

Emposia

ETFO Toronto Occasional
Teachers' Local

Intelligence Media Group

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Jackman Foundation

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The Vine Agency

Weppler Family Foundation

Woodbine Cares

And many anonymous donors

Service Providers:

Martin Merry & Reid Limited

Sputnik Design Partners

In-kind Donations:

Lillypost

Scholastic Canada

2021 Holiday Auction – auction
item donors for their generous
support

Thank you to our 3rd party contribution facilitators:

Benevity Funds

ECHOage

United Way

CanadaHelps

GiftFunds Canada

Toronto Foundation

And, finally, a special thank you
to our generous monthly and
individual donors.



**THE CHILDREN'S BOOK BANK AND
LITERACY FOUNDATION**

FINANCIAL STATEMENTS

MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of The Children's Book Bank and Literacy Foundation,

Opinion

We have audited the financial statements of The Children's Book Bank and Literacy Foundation, (the organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, 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 Children's Book Bank and Literacy Foundation as at March 31, 2022 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 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 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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 your 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.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

June 15, 2022
Toronto, Ontario

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	2022	2021
ASSETS		
Current assets		
Cash	\$ 217,722	\$ 62,803
Guaranteed investment certificates (note 3)	169,351	237,083
Canada Emergency Wage Subsidy receivable	-	4,636
Canada Emergency Rent Subsidy receivable	-	19,909
HST rebate recoverable	6,531	6,419
Prepaid expenses	<u>1,488</u>	<u>-</u>
	<u>\$ 395,092</u>	<u>\$ 330,850</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	<u>\$ 20,119</u>	<u>\$ 24,904</u>
Long-term liabilities		
Canada Emergency Business Account (CEBA) loan payable (note 4)	<u>40,000</u>	<u>40,000</u>
	<u>60,119</u>	<u>64,904</u>
Net assets		
Designated (note 5)	100,000	100,000
Unrestricted	<u>234,973</u>	<u>165,946</u>
	<u>334,973</u>	<u>265,946</u>
	<u>\$ 395,092</u>	<u>\$ 330,850</u>

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
REVENUE		
Contributions		
Foundations	\$ 230,861	\$ 118,493
Individual	188,305	161,412
Corporate	914	30,541
Government	-	2,425
Canada Emergency Wage Subsidy (CEWS)	40,548	67,893
Canada Emergency Rent Subsidy (CERS)	37,019	19,909
Interest and other	2,594	2,900
Forgivable portion of CEBA loan (note 4)	-	20,000
	<u>500,241</u>	<u>423,573</u>
EXPENSES		
Personnel	250,722	237,870
Facility	127,985	99,866
Office and general	21,768	17,697
Fundraising	9,986	9,998
Programming	9,228	10,827
Communications	6,188	6,956
Professional fees	5,337	13,719
	<u>431,214</u>	<u>396,933</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	69,027	26,640
Net assets, beginning of year	<u>265,946</u>	<u>239,306</u>
NET ASSETS, END OF YEAR	<u>\$ 334,973</u>	<u>\$ 265,946</u>

see accompanying notes

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 69,027	\$ 26,640
Net change in non-cash working capital items (see below)	<u>18,160</u>	<u>9,356</u>
Net cash generated from operating activities	87,187	35,996
INVESTING ACTIVITIES		
Guaranteed investment certificates redeemed (purchased)	<u>67,732</u>	<u>(136,500)</u>
FINANCING ACTIVITIES		
Proceeds from CEBA loan, net of forgivable portion	<u>-</u>	<u>40,000</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	154,919	(60,504)
Cash, beginning of year	<u>62,803</u>	<u>123,307</u>
CASH, END OF YEAR	<u><u>\$ 217,722</u></u>	<u><u>\$ 62,803</u></u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Accounts receivable	\$ -	\$ 5,019
Canada Emergency Wage Subsidy receivable	4,636	(4,636)
Canada Emergency Rent Subsidy receivable	19,909	(19,909)
HST rebate recoverable	(112)	7,418
Prepaid expenses	(1,488)	2,342
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	<u>(4,785)</u>	<u>19,122</u>
	<u><u>\$ 18,160</u></u>	<u><u>\$ 9,356</u></u>

see accompanying notes

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

The Children's Book Bank and Literacy Foundation (the organization) is incorporated in the Province of Ontario without share capital. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization collects, recycles and distributes free books to children who need them across Toronto.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Contributions

The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Unrestricted contributions, including donations and amounts received from fundraising, are recorded when received.

Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy

CEWS and CERS revenue is recognized in the periods to which they relate.

Contributed materials and services

Contributed materials and services, including books, which are normally purchased by the organization are not recorded in the accounts.

Interest income

Interest income is recognized as revenue when earned.

2. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, guaranteed investment certificates, amounts receivable (including CEWS and CERS receivable), accounts payable and accrued liabilities. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value. Guaranteed investment certificates are recorded at cost, which approximates fair market value.

3. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued by a major Canadian chartered bank, bear interest rates ranging from 0.35% to 1.50% and mature between August 2022 and March 2023.

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

4. CANADA EMERGENCY BUSINESS ACCOUNT LOAN PAYABLE

In fiscal 2021, the organization obtained the Canada Emergency Business Account (CEBA) loan of \$60,000 from the Government of Canada. The unsecured loan bears no interest and no principal repayments are required until December 31, 2023. Proceeds from the loan can only be used for non-deferrable operating expenses. If the organization repays \$40,000 of the loan when due, the remaining \$20,000 is forgiven. The organization's resources are sufficient to repay the loan when due and the forgivable portion of the loan was recognized as revenue in the prior year. As at March 31, 2022, the organization made no principal repayments in respect of the CEBA loan.

5. DESIGNATED NET ASSETS

The Board of Directors of the organization has designated net assets of \$100,000 as at March 31, 2022 for future strategic initiatives and to provide for unexpected financial contingencies (\$100,000 designated as at March 31, 2021). Use of these funds requires prior approval by the Board of Directors.

6. LEASE COMMITMENT

The organization leases programming and office space in Toronto, Canada. Minimum annual payments over the term of the lease, which expires on December 31, 2028, are as follows:

2023	\$	29,619
2024		30,804
2025		32,036
2026		33,317
2027		34,650