

2022 ANNUAL REPORT



Hope. Realized.

We all know that having hope is as necessary as having air to breathe. After enduring the challenges of COVID, a sense of hope for the future became even more essential. That certainly was true for The Children's Book Bank in 2022. By the middle of the year, we could once again offer in-person programming which comprises the bedrock of our mission. School trips and family visits returned and both staff and volunteers were full of nervous excitement as the summer reading program once again provided the chance to engage, face-to-face, with children about the books they were reading. Then, later in year, the Book Bank achieved a milestone: establishing a satellite book bank in the same building where our warehouse now resides. The space is modest but families and schools in the St. James Town neighbourhood have discovered and embraced it. Our impact in this community grows daily.

Hope continued to arrive in 2022 with increased financial stability for the organization, culminating in the news that the Book Bank would be the recipient of a \$1M gift. As a result of this transformational donation, the CBB will begin the process of establishing new programming spaces in three of Toronto's other high priority neighbourhoods over the next three years.

These aspirations could not have been realized without the generous support of our donors, as well as the joyful and dedicated work of the staff and volunteers. Thank you all.

Mary Ladky, Executive Director



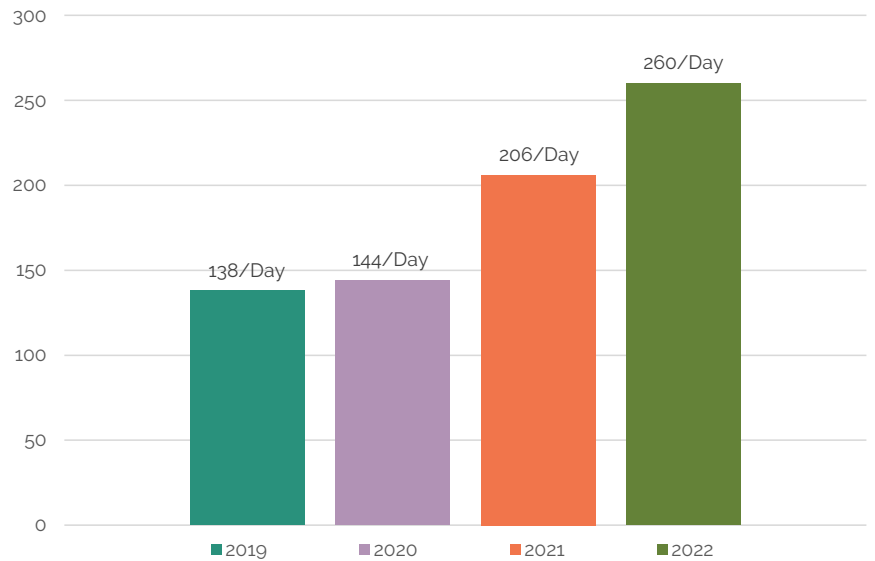
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www.childrensbookbank.com • Charitable Registration Number: 84453 2952 RR0001

At Our Storefronts

In August 2022, the Book Bank opened a satellite location in the St. James Town community. This has enabled us to increase not only our geographic reach, but also storefront book distribution overall.



Books Given Away Per Day at Storefronts



"I truly appreciate the service the Book Bank provides for our community. Storytime always gives my students an opportunity to enjoy listening to someone read a book they might not have otherwise heard. When the students get to choose their books, it provides me with information about what topics interest them which helps me in planning for instruction. Thank you so much for all that you do!"

Regent Park Teacher



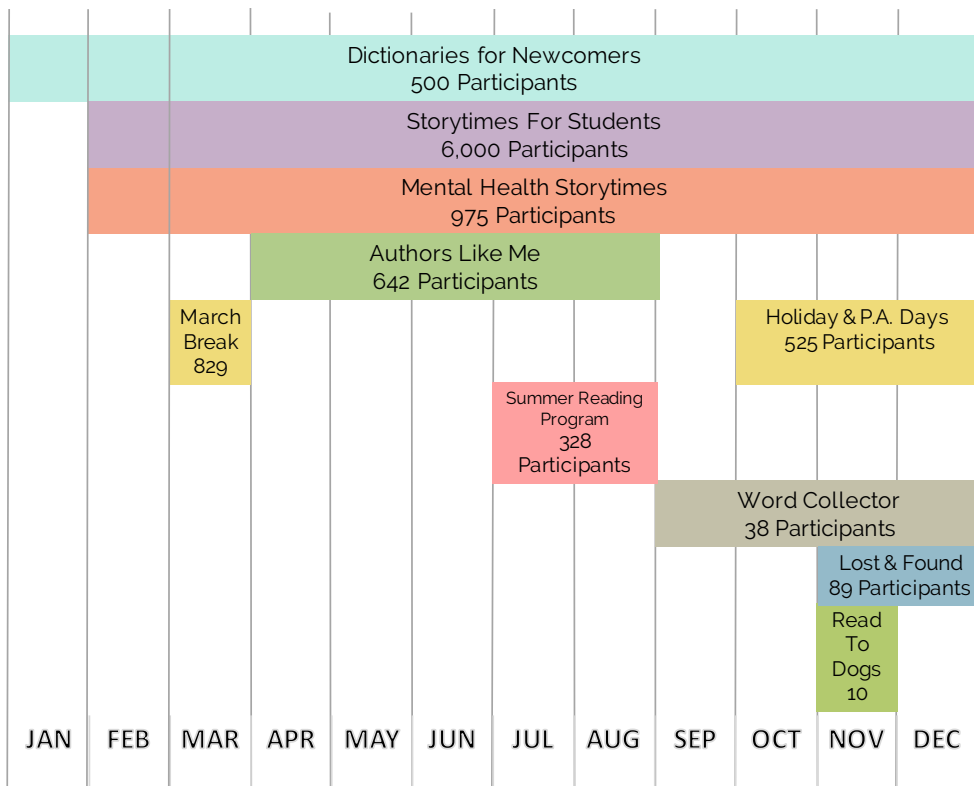
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Following our move to Daniels Spectrum, the Book Bank revitalized its core programs, such as Storytimes for Students, School Holiday Programming, and Mental Health Storytimes. We also piloted several new activities, such as Word Collector, Lost & Found, and Reading to Dogs.

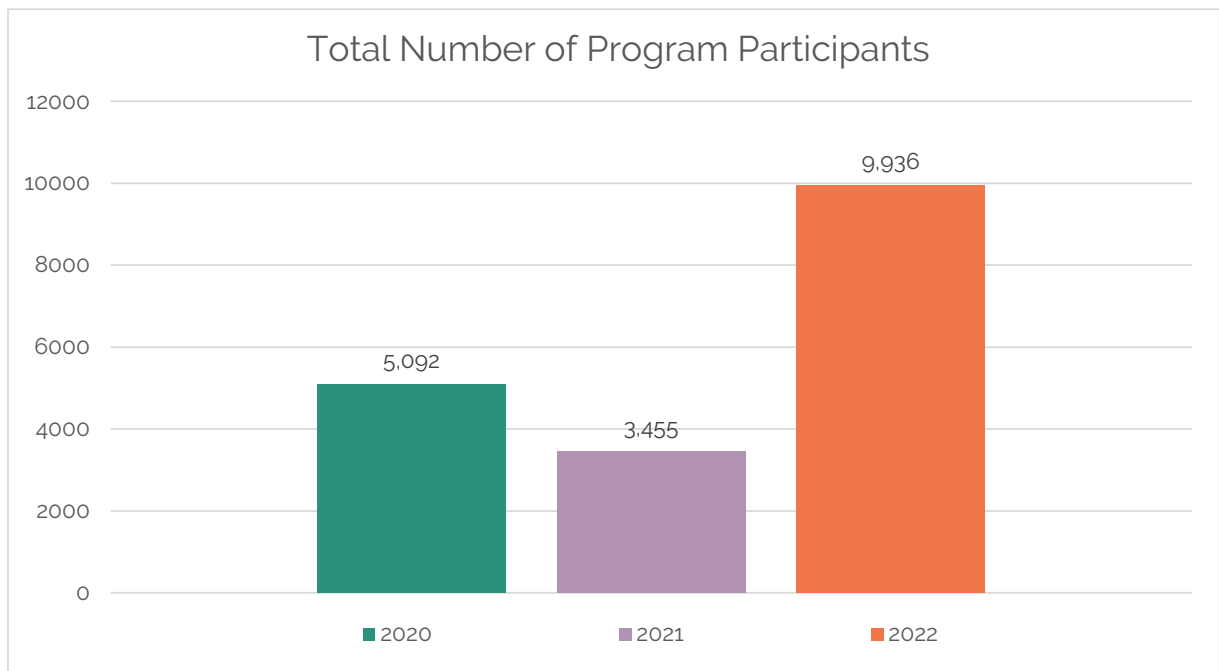
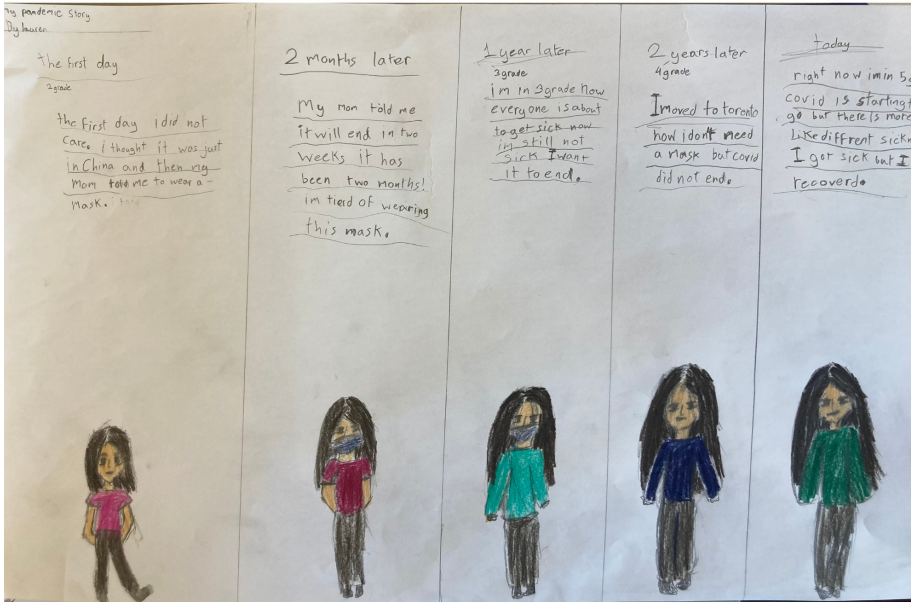


"I think the Book Bank is an amazing experience... I have gotten a deep interest in books and have finished lots of series with the help of the Book Bank. There are lots of choices of books and the volunteers are really nice and assist you. The summer reading program is fun and enjoyable. It is nice how the Book Bank spreads books to children and encourages them to read more. From little kids to teens, the Book Bank welcomes all ages. I am lucky to have the Book Bank with me so I can continue to read."

Asha, Age 12



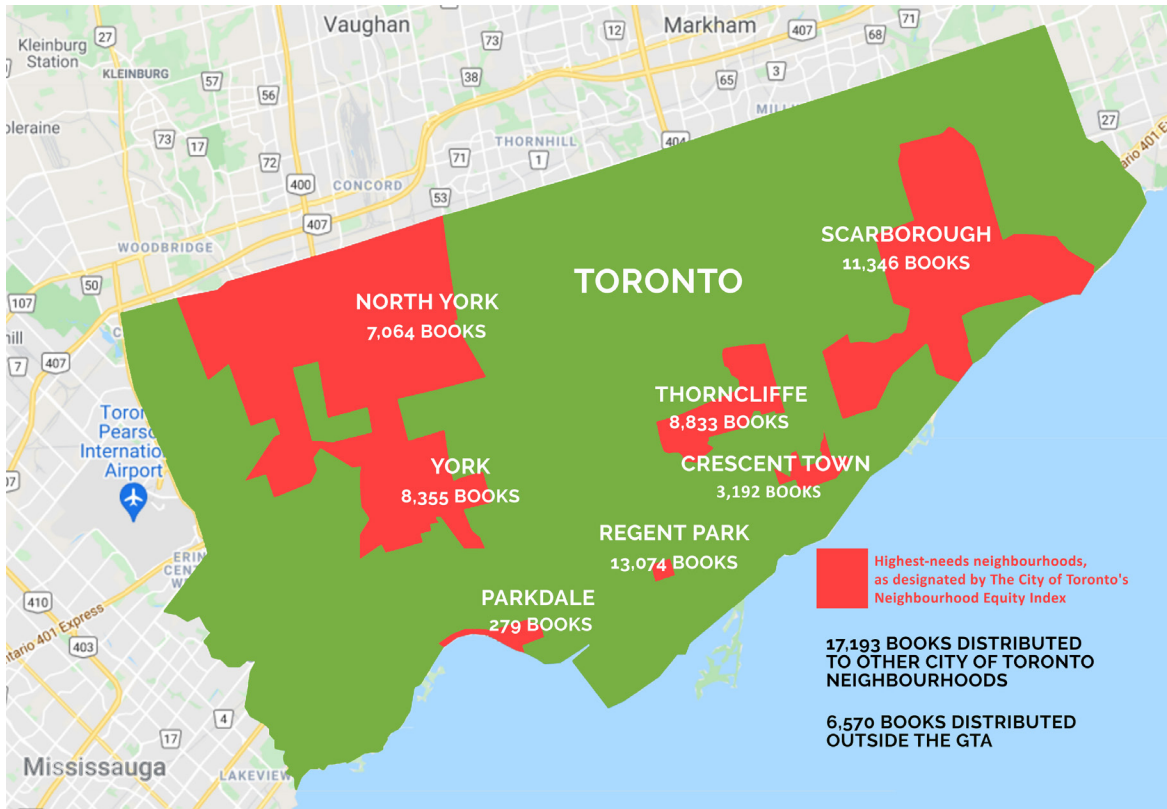
With a return to in-person activities and the addition of a second storefront, the number of program participants nearly tripled between 2021 and 2022. We predict we will either meet or exceed pre-COVID participation rates by 2024.



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Across the City

In 2022 The Children's Book Bank distributed over 75,000 books to over 115 community partners, and nearly 45,000 books through our storefronts. In total, our rate of distribution has exceeded pre-pandemic numbers. The map below illustrates the number of books given away through our outreach program; on the next page, the graph shows all books given away via storefronts and outreach.



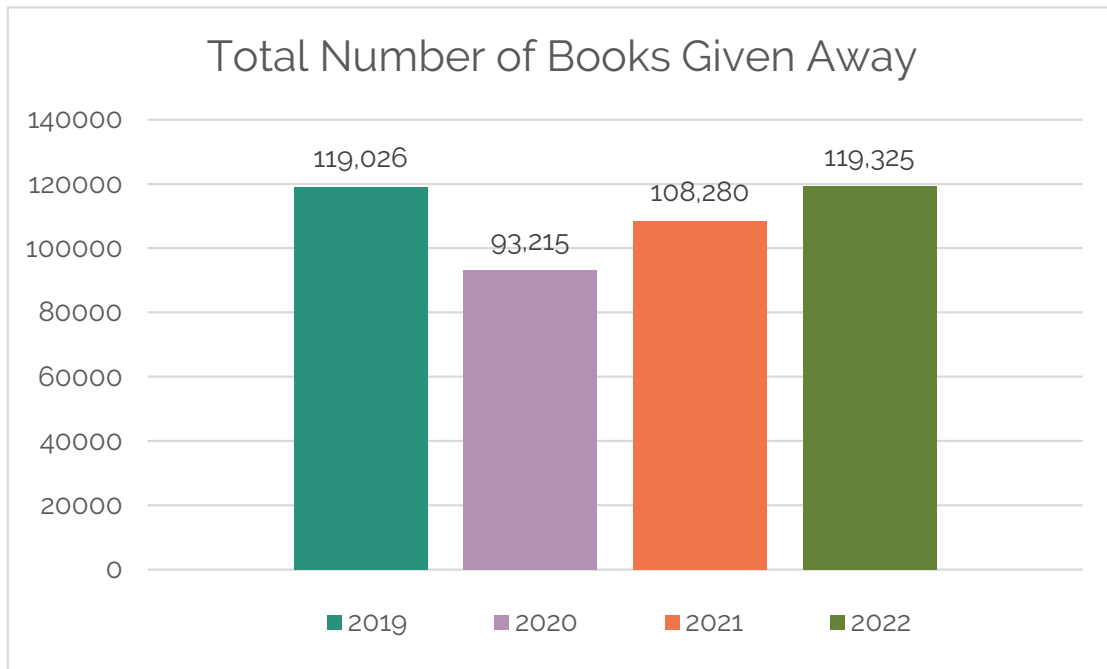
"I was at a vaccination clinic in a Toronto Community Housing building where four kids came running up when they saw the books. It was so fun for me to see them all get so excited for the books knowing that they really valued them."

Community Partner



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Combined Impact



"Thank you for your 200+ books you donated to our Blacksmith school community. As Torontonians are facing increasing prices on everyday items, the books will be a welcome gift to students on their last day of school. It signals to students the importance of reading. We were also able to give a few read alouds to the teachers for their classroom collections so their students can enjoy them for years to come. Keep up the good work!"

Community Partner

"Thank you for all of the amazing book donations you've been able to provide the program with. It makes such a difference and gives our parents an opportunity to see how much their children love to read. Not to mention, how excited they are that they get to keep the books after (especially the interactive board books, they're a hit!). These books have been an amazing help and I really appreciate your generosity!"

Community Partner



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Donors

24 GOOD DEEDS

Arbor Memorial Foundation

Aubrey & Marla Dan Foundation

Averbach Family Foundation

The Azrieli Foundation

BMO Community Giving

Book Depot

Canada Life

Canada Summer Jobs

Canadian Children's Literacy Foundation

Carol MacPherson

The Catherine and Maxwell Meighen
Foundation

Dawn Tattle Family Foundation

F.K. Morrow Foundation

Havergal College

The Hylcan Foundation

Jackman Foundation

John and Jocelyn Barford Family Foundation

John and Marian Taylor Family Fund

The Lawrence Schafer Foundation

The Lewis Cohen Family Foundation

The Lewitt Family Foundation

Manitou Investment Management Ltd.

The MacDonald Griffin Charitable Foundation

McCarthy Tetrault Foundation

McGraw Family Foundation

The McLean Foundation

MEH Foundation

The Newall Family Foundation

Ontario Trillium Foundation

RBC Charity Day for the Kids

R. Howard Webster Foundation

RSM US

St. George's Society Toronto

TD Ready Commitment

Tippet Foundation

Toronto Metropolitan University

Traquair Family Foundation

The Weppler Family Foundation

The generosity of individual and monthly donors is also essential to our success.



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

FINANCIAL STATEMENTS

MARCH 31, 2023

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, 2023, and the statements of operations and 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, 2023 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 14, 2023
Toronto, Ontario

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	2023	2022
ASSETS		
Current assets		
Cash	\$ 297,814	\$ 217,722
Guaranteed investment certificates (note 3)	103,652	169,351
Accounts receivable	10,500	-
HST rebate recoverable	5,658	6,531
Prepaid expenses	<u>6,479</u>	<u>1,488</u>
	<u>\$ 424,103</u>	<u>\$ 395,092</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,798	\$ 20,119
Deferred contributions (note 4)	<u>5,529</u>	<u>-</u>
	12,327	20,119
Long-term liabilities		
Canada Emergency Business Account (CEBA) loan payable (note 5)	<u>-</u>	<u>40,000</u>
	<u>12,327</u>	<u>60,119</u>
Net assets		
Designated (note 6)	100,000	100,000
Unrestricted	<u>311,776</u>	<u>234,973</u>
	<u>411,776</u>	<u>334,973</u>
	<u>\$ 424,103</u>	<u>\$ 395,092</u>

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, 2023

	2023	2022
REVENUE		
Contributions		
Foundations	\$ 271,062	\$ 230,861
Individual	164,335	188,305
Corporate	42,000	914
Government	8,047	-
Interest and other	3,035	2,594
Canada Emergency Wage Subsidy (CEWS)	-	40,548
Canada Emergency Rent Subsidy (CERS)	-	37,019
	<u>488,479</u>	<u>500,241</u>
EXPENSES		
Personnel	314,919	250,722
Facility	27,657	127,985
Office and general	26,517	21,768
Programming	20,778	9,228
Fundraising	7,382	9,986
Professional fees	7,227	5,337
Communications	7,196	6,188
	<u>411,676</u>	<u>431,214</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	76,803	69,027
Net assets, beginning of year	<u>334,973</u>	<u>265,946</u>
NET ASSETS, END OF YEAR	<u>\$ 411,776</u>	<u>\$ 334,973</u>

see accompanying notes

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 76,803	\$ 69,027
Net change in non-cash working capital items (see below)	<u>(22,410)</u>	<u>18,160</u>
Net cash generated from operating activities	<u>54,393</u>	<u>87,187</u>
INVESTING ACTIVITIES		
Guaranteed investment certificates redeemed	<u>65,699</u>	<u>67,732</u>
FINANCING ACTIVITIES		
Repayment of CEBA loan	<u>(40,000)</u>	<u>-</u>
NET INCREASE IN CASH FOR THE YEAR	80,092	154,919
Cash, beginning of year	<u>217,722</u>	<u>62,803</u>
CASH, END OF YEAR	<u><u>\$ 297,814</u></u>	<u><u>\$ 217,722</u></u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Accounts receivable	\$ (10,500)	\$ -
Canada Emergency Wage Subsidy receivable	-	4,636
Canada Emergency Rent Subsidy receivable	-	19,909
HST rebate recoverable	873	(112)
Prepaid expenses	(4,991)	(1,488)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(13,321)	(4,785)
Deferred contributions	<u>5,529</u>	<u>-</u>
	<u><u>\$ (22,410)</u></u>	<u><u>\$ 18,160</u></u>

see accompanying notes

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

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.

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, accounts payable and accrued liabilities. 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 rate of 4.00% and mature in August 2023.

THE CHILDREN'S BOOK BANK AND LITERACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

4. DEFERRED CONTRIBUTIONS

Deferred contributions are composed of the following:

	2023	2022
Ontario Trillium Foundation	<u>\$ 5,529</u>	<u>\$ -</u>

Continuity of deferred contributions for the year is as follows:

	2023	2022
Deferred contributions, beginning of year	\$ -	\$ -
Add cash received from contributions	490,973	420,080
Less contribution revenue recognized	<u>(485,444)</u>	<u>(420,080)</u>
Deferred contributions, end of year	<u>\$ 5,529</u>	<u>\$ -</u>

5. CANADA EMERGENCY BUSINESS ACCOUNT LOAN PAYABLE

As at March 31, 2023, the organization fully repaid the CEBA loan.

6. DESIGNATED NET ASSETS

The Board of Directors of the organization has designated net assets of \$100,000 as at March 31, 2023 for future strategic initiatives and to provide for unexpected financial contingencies (\$100,000 designated as at March 31, 2022). Use of these funds requires prior approval by the Board of Directors.

7. 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:

2024	\$ 30,804
2025	32,036
2026	33,317
2027	34,650
2028	36,036