

FINANCIAL STATEMENTS

For

**STORYBOOK OTTAWA INC./
LIVRE DE CONTES OTTAWA INC.**

For year ended

JULY 31, 2023

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the directors of

**STORYBOOK OTTAWA INC./
LIVRE DE CONTES OTTAWA INC.**

We have reviewed the financial statements of StoryBook Ottawa Inc./Livre de contes Ottawa Inc. (the Organization), which comprise the statement of financial position as at July 31, 2023 and the statements of operations and changes in net assets 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Organization as at July 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.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
January 17, 2024.

**STORYBOOK OTTAWA INC./
LIVRE DE CONTES OTTAWA INC.
STATEMENT OF FINANCIAL POSITION
JULY 31, 2023**

| | <u>2023</u> | <u>2022</u> |
|-----------------------------------|------------------|-----------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash | \$ 15,755 | \$ 7,132 |
| Government remittances receivable | 391 | 235 |
| Prepaid expenses | <u>808</u> | <u>1,000</u> |
| | \$ 16,954 | \$ 8,367 |
| <u>NET ASSETS</u> | | |
| NET ASSETS - unrestricted | \$ 16,954 | \$ 8,367 |

Approved by the Board of Directors:

.....Director

.....Director

(See accompanying notes)

PREPARED WITHOUT AUDIT

STORYBOOK OTTAWA INC./
LIVRE DE CONTES OTTAWA INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2023

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|------------------|-----------------|
| REVENUE | | |
| Donations | \$ 16,202 | \$ 18,750 |
| Grants | <u>11,000</u> | <u>-</u> |
| | <u>27,202</u> | <u>18,750</u> |
| EXPENSES | | |
| Book purchases | 16,772 | 8,256 |
| Supplies - note 4 | 1,384 | 1,791 |
| Advertising and promotion | <u>459</u> | <u>336</u> |
| | <u>18,615</u> | <u>10,383</u> |
| NET REVENUE | 8,587 | 8,367 |
| NET ASSETS, BEGINNING OF YEAR | <u>8,367</u> | <u>-</u> |
| NET ASSETS, END OF YEAR | <u>\$ 16,954</u> | <u>\$ 8,367</u> |

(See accompanying notes)

PREPARED WITHOUT AUDIT

Welch LLP[®]

STORYBOOK OTTAWA INC./
LIVRE DE CONTES OTTAWA INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JULY 31, 2023

| | <u>2023</u> | <u>2022</u> |
|-----------------------------------|------------------|-----------------|
| CASH FLOWS FROM (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Net revenue | \$ 8,587 | \$ 8,367 |
| Changes in level of: | | |
| Government remittances receivable | (156) | (235) |
| Prepaid expenses | <u>192</u> | <u>(1,000)</u> |
| INCREASE IN CASH | 8,623 | 7,132 |
| CASH, BEGINNING OF YEAR | <u>7,132</u> | <u>-</u> |
| CASH, END OF YEAR | <u>\$ 15,755</u> | <u>\$ 7,132</u> |

(See accompanying notes)

PREPARED WITHOUT AUDIT

Welch LLP[®]

An Independent Member of BKR International

**STORYBOOK OTTAWA INC./
LIVRE DE CONTES OTTAWA INC.**
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JULY 31, 2023

1. NATURE OF OPERATIONS

StoryBook Ottawa Inc./Livre de contes Ottawa Inc. was incorporated as a not-for-profit corporation under the Canada Not-for-profit Corporations Act on March 26, 2021. The Organization is a registered charity under the Income Tax Act (Canada) and is exempt from income taxes.

The purpose of the Organization is to advance education by providing books to students attending publicly-funded English and French elementary schools in low-income Ottawa neighbourhoods.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted grants and contributions are recognized as revenue in the year in which related expenditures are incurred. Unrestricted grants and contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations are recognized as revenue when they are received.

Contributed goods and services

Volunteers contribute a significant amount of time to assist the Organization in carrying out its service delivery activities. Contributed services are not recognized in the financial statements due to the difficulty in determining the fair value of the services. Contributed goods are recognized when the fair value can be determined.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management makes accounting estimates when determining the amounts of accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements for changes in these estimates in future periods could be material.

Financial instruments

The Organization's cash is measured at fair value. All other financial instruments are initially recognized at fair value and are subsequently measured at amortized cost at the date of the statement of financial position.

PREPARED WITHOUT AUDIT

Welch LLP[®]

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations.

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Organization's maximum exposure to credit risk represents the carrying value of its cash.

The Organization's cash is deposited with a Canadian chartered bank and as a result management believes the risk of loss on these items to be remote.

Liquidity risk

Liquidity risk is the risk that the Organization cannot meet a demand for cash or fund its obligations as they become due. The Organization meets its liquidity risk requirements by establishing budgets and cash estimates to ensure it has funds necessary to fulfill its obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Organization's financial instruments are all denominated in Canadian dollars and it transacts solely in Canadian dollars. As a result, management represents that the Organization is not exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of a financial instrument or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates.

The Organization is not exposed to interest rate risk.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of a financial instrument or future cash flows associated with a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The Organization is not exposed to other price risk.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior period.

4. SUPPLIES

The expenditures incurred for supplies consist of stickers and bags for the delivery of purchased books as part of the Organization carrying out its charitable activities.