

Storytellers of Canada/Conteurs du Canada

Financial Statements

August 31, 2022

Independent Auditors' Report

To the Directors of Storytellers of Canada/Conteurs du Canada

We have audited the accompanying financial statements of Storytellers of Canada/Conteurs du Canada (SC-CC), which comprise the balance sheet as at August 31, 2022, the statement 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.

Qualified Opinion

In our opinion, except for the effects of matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of SC-CC as at August 31, 2022, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, SC-CC derives revenue from donations and fundraising events. The completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this amount was limited to the amount records in the organization's accounting records and we were not able to determine whether any adjustments might be necessary to the donations and fundraising events.

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 Entity 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 those 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 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.

In preparing the financial statements, management is responsible for assessing SC-CC's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing SC-CC'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 Entity'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 Entity'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 Entity 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.

DO Chartered Professional Accountants

Hamilton Ontario

(February 20, 2023)

Licensed Public Accountant

Storytellers of Canada/Conteurs du Canada

Balance Sheet as at August 31, 2022

	2022	2021
ASSETS		
Current:		
Cash	\$ 35,509	\$ 89,620
Accounts receivable	260	120
Harmonized Sales Tax recoverable	8,492	4,883
Prepaid expenses	821	3,658
Inventory (Note 4)	11,346	9,974
	<u>56,428</u>	<u>108,255</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	8,237	15,695
Deferred revenues (Note 3)	3,415	10,585
	<u>11,652</u>	<u>26,280</u>
NET ASSETS		
Internally restricted: Emergency fund	25,000	25,000
Program fund	-	25,000
StorySave program (Note 6)	13,529	14,288
Unrestricted	6,247	17,687
	<u>44,776</u>	<u>81,975</u>
	<u>\$ 56,428</u>	<u>\$ 108,255</u>

On behalf of the Board: Christine C. Henneburg Director

Allyson Director

See accompanying Notes to Financial Statements

Storytellers of Canada/Conteurs du Canada

Statement of Operations and Changes in Net Assets For the year ended August 31, 2022

	2022	2021
REVENUES		
Government grants (<i>Note 3</i>)	\$ 80,866	\$ 108,966
Professional development conference registrations	31,236	-
Donations, fundraising events and other (<i>Note 6</i>)	25,881	20,773
Membership fees	16,300	15,825
CD sales, event ticket sales	9,333	6,712
	<hr/>	<hr/>
	163,616	152,276
EXPENSES		
General programming delivery costs	87,004	52,697
Professional development conference costs	52,010	-
Administrative fees	24,374	24,349
Marketing and communications	15,592	14,059
Fundraising	10,141	10,590
General office and administration	6,300	7,712
Professional fees	3,067	2,500
Cost of sales, royalties and distribution costs	2,327	978
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	200,815	112,885
EXCESS OF REVENUES OVER EXPENSES	(37,199)	39,391
OPENING NET ASSETS	81,975	42,584
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CLOSING NET ASSETS	\$ 44,776	\$ 81,975

See accompanying Notes to Financial Statements

Storytellers of Canada/Conteurs du Canada

Statement of Cash Flows for the year ended August 31, 2022

	2022	2021
Cash generated (used in)		
OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ (37,199)	\$ 39,391
Impact on cash of changes in working capital items:		
Accounts receivable	(140)	(120)
Harmonized Sales Tax recoverable	(3,609)	(341)
Prepaid expenses	2,837	189
Inventory	(1,372)	303
Accounts payable and accrued liabilities	(7,458)	9,719
Deferred revenues	(7,170)	(31,266)
	(54,111)	17,875
Increase (Decrease) in cash	(54,111)	17,875
Cash – beginning of year	89,620	71,745
Cash – end of year	\$ 35,509	\$ 89,620

See accompanying Notes to Financial Statements

Storytellers of Canada/Conteurs du Canada

Notes to Financial Statements

August 31, 2022

1. NATURE AND PURPOSE OF THE ORGANIZATION

Storytellers of Canada/Conteurs du Canada (SC-CC) is a national organization under governing legislation of the Canada Not-for-Profit Corporations Act (a piece of federal law). Members are from across the country, but the head office is located in Ontario.

As a registered charity the organization is exempt from the payment of income tax under Paragraph 149(1)(f) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in part III of the CPA Canada handbook and include the following significant policies.

Revenue recognition

SC-CC follows the deferral method of accounting for contributions such as government grants, donations fundraising and private sector revenue. Unrestricted contributions are recognized as revenues when received or receivable, provided that contributions receivable can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenues in the year in which the related activities are carried out and expenses are incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not for profit 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 period. These estimates are reviewed periodically, and adjustments are made to revenues and expenses as appropriate in the period they become known.

Inventory

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Inventory includes all costs to purchase, convert, and bring the inventories to their present location and condition. Cost is determined using the weighted-average cost formula.

Contributed services

SC-CC would not be able to carry out its activities without the services of many volunteers who contribute a considerable amount of their time and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Storytellers of Canada/Conteurs du Canada

Notes to Financial Statements

August 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments

SC-CC initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The carrying value of SC-CC's financial instruments approximates their fair value due to the relatively short term to maturity of those instruments. It is management's opinion that SC-CC is not exposed to significant market, liquidity, interest rate or credit risk arising from these financial instruments.

3. GOVERNMENT GRANTS REVENUES AND DEFERRED REVENUES

Revenues from government grants recognized in the year are as follows:

	2022	2021
Canada Council for the Arts:		
Operating Funding	\$ 59,490	\$ 59,490
Supplement for pandemic recovery	11,900	-
Ontario Arts Council: Operating Funding	9,476	9,476
Government of Ontario: Covid-19 Business Support Fund	-	40,000
	<u>\$ 80,866</u>	<u>\$ 108,966</u>

Deferred revenues at August 31 are as follows:

	2022	2021
Membership fees	\$ 2,730	\$ 2,465
Conference fees	685	8,120
	<u>\$ 3,415</u>	<u>\$ 10,585</u>

Storytellers of Canada/Conteurs du Canada

Notes to Financial Statements

August 31, 2022

4. INVENTORY WRITE-DOWNS

During the year SC-CC reviewed the valuation of inventory and determined that no write-down of inventory was required for 2022.

5. COMMITMENT

SC-CC is committed to a month-to-month agreement for rental of premises beginning January 1, 2022 at \$215 per month.

6. STORY SAVE CONTRIBUTIONS

Excess contributions to the annual Story Save project are utilized for future Story Save projects. The balance of excess contributions on August 31 2022 is \$13,529 (2021 – \$14,288).