

# 2022 IMPACT



# REPORT





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# A WORD FROM OUR EXECUTIVE DIRECTOR

**“Literacy transforms human experience and reflects it back to us, and in that reflection we can see our lives and experiences as part of a larger human experience.”**

-“Reading to Make a Difference” - Lester L. Laminack and Katie Kelly

## **2022 was a year of recovery.**

Following the exceptional pandemic-period learning loss for kids in low-income and historically excluded group, demand for our programs has increased. Our 2022 programs supported reading aloud to babies, pre-school preparation of vocabulary and reading skills, social and emotional skills development at all ages, and stories of empowerment for kids graduating into the wider world beyond secondary-school. As always, we promote and facilitate access to BIPOC voices, providing books for kids at every age, that reflect diverse lived experience. For Canadian kids in need, emerging from the isolation of pandemic lockdowns and battling with varying degrees of related stress, seeing yourself reflected in an empowering story is more important than ever.

## **2022 was also a year of reconnection.**

The Best Home Library project was launched this year, with large, in-person community celebrations of the power of reading - bringing families and educators together from coast to coast to coast.

None of this would be possible without our corporate and publishing partners, and the thousands of individual donors. You understand how powerful reading that great book, that first one that changes your life in a way and for the better - albeit perhaps only a little - but we know that every little bit matters.

**Thank you. Merci. Miigwetch**

**HEATHER FARQUHARSON**  
**EXECUTIVE DIRECTOR**



## Our Mission

Imagine a world where every child experiences the benefits of a quality education. We're on a mission to ensure that all children, regardless of their background or postal code, can succeed-- by removing barriers to equitable education.

## OUR CORE VALUES

### Champion of Educators

We are passionate supporters of the educators who serve kids in need. Our First Book Canada Network, a community of more than 20,000 educators and professionals who serve kids in under-resourced communities, has unparalleled knowledge into the educational barriers that confront their students. First Book Canada empowers educators by providing books, resources, and initiatives that are directly informed by their feedback. In this way, educators help shape our resources, partnerships, and strategic solutions. We facilitate the sharing of best practices and expand educators' access to affordable tools and resources. The result is that our educators are more supported and empowered to better serve their students and communities.

### Social Innovation

We pride ourselves on having business minds and non-profit hearts. Using proven private-sector approaches, we design sustainable, system-changing strategies that drive measurable results. We are building a movement using insights and innovative ideas that amplify impact and disrupt the status quo in education.

### Eliminating Barriers

First Book Canada is dedicated to breaking down the barriers to educational equity by increasing access to evidence-based best practices, books, and resources in underserved communities.

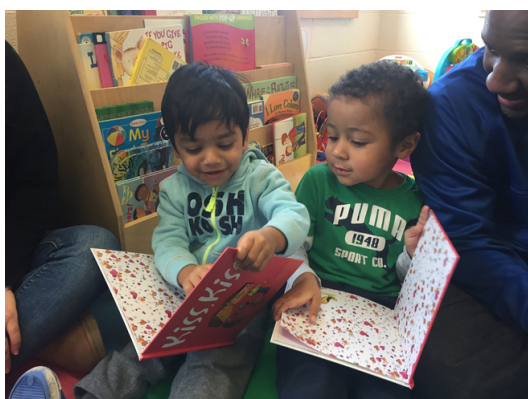
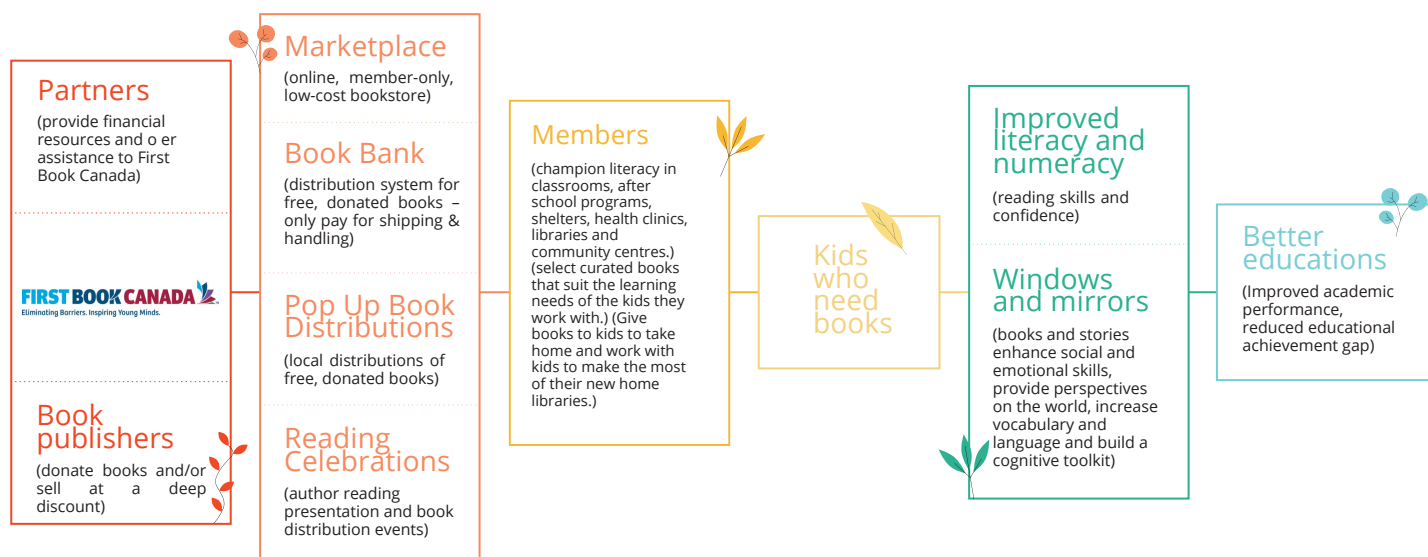
### Purposeful Collaboration

First Book Canada is a bridge-builder, collaborating with public and private partners, translating best-in-class expertise into educational resources to support learning for kids in need. We partner with field experts, publishers, corporations, foundations, fellow nonprofits, leading academics, and individual donors to address the critical needs expressed by educators. These mission-driven alliances enable us to expedite resources to those who need them the most. Our collaborative approach results in a shared social identity and tangible impact, changing the lives of children in need for generations to come.



## Our Approach

A leading force for education equity, First Book Canada reaches an average of five million children in under-resourced communities every year. We work to level the educational playing field for kids in need through this model of change.



Thank you for the great opportunity to build my class library to share these books with the students in September. I know the students will be very excited to read them in the fall and throughout the upcoming school year.

**Mini Dindayal, Kingsview Village Jr School TDSB**

# THE YEAR IN REVIEW

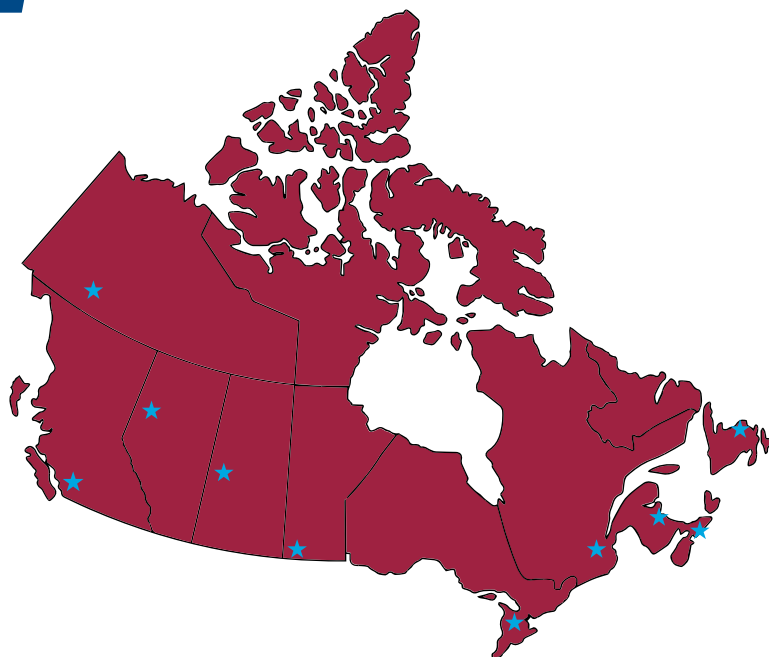


## The Best Home Library

11 Best Home Library Project Grant Winners were selected in early 2022.

Together these Members are providing home libraries of at least 5 books each to more than 2,450 students from Kindergarten through 12th grade.

More than 22,000 books have been distributed to children across Canada through The Best Home Library Project



## Summer Highlight

Raptors 905 Reading Challenge had a total of 325 participants. 200 students from the core program with a total of 1000 books provided to them and 125 students from the extended program.

## Winter Highlight

We partnered with HIPPY supplying 5,000 books to 1,665 families in their Mothers Matter Adopt-a-Reader program, fostering reading habits.

## Autumn Highlight

In collaboration with 630 CHED Santas Anonymous, we organized a pop-up event in Edmonton, distributing 16,800 books to teachers and community groups for Christmas.

## Spring Highlight

First Book Canada partnered with Jays Care Foundation for 'Turn the Page,' holding 3 events in Toronto, Vancouver, and Brampton, distributing 268,000 books to support teachers.

# OUR ROAD TO LEARNING RECOVERY

An overview of the three ways we reach as many kids as possible across Canada.

	Projects	Details	Outcome
48	Reading Celebrations	Authors present to students	Volunteers help to get 5 books to every child
9	Pop Up Events	They are local events run by champion members across Canada, providing access to high quality and diverse books to members for free.	A total of 408,339 books distributed.
1	Featured Distributions	It is a large scale book distribution to provide members with access to carton quantities of new books for only the cost of shipping.	A total of 28,988 books distributed.

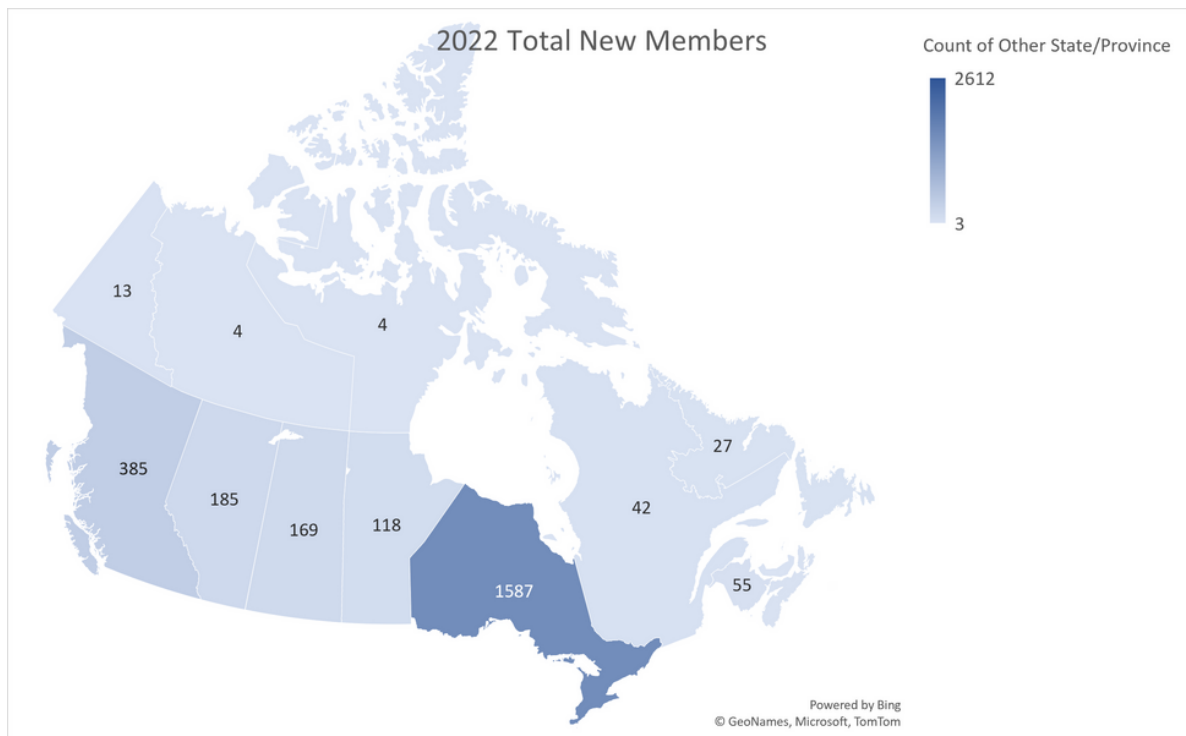


It gives my students the opportunity to be exposed to a variety of new texts, especially diverse texts from diverse authors - my class has diverse learners, so that representation is crucial.

**Vanessa Parisien, Elmwood High School**



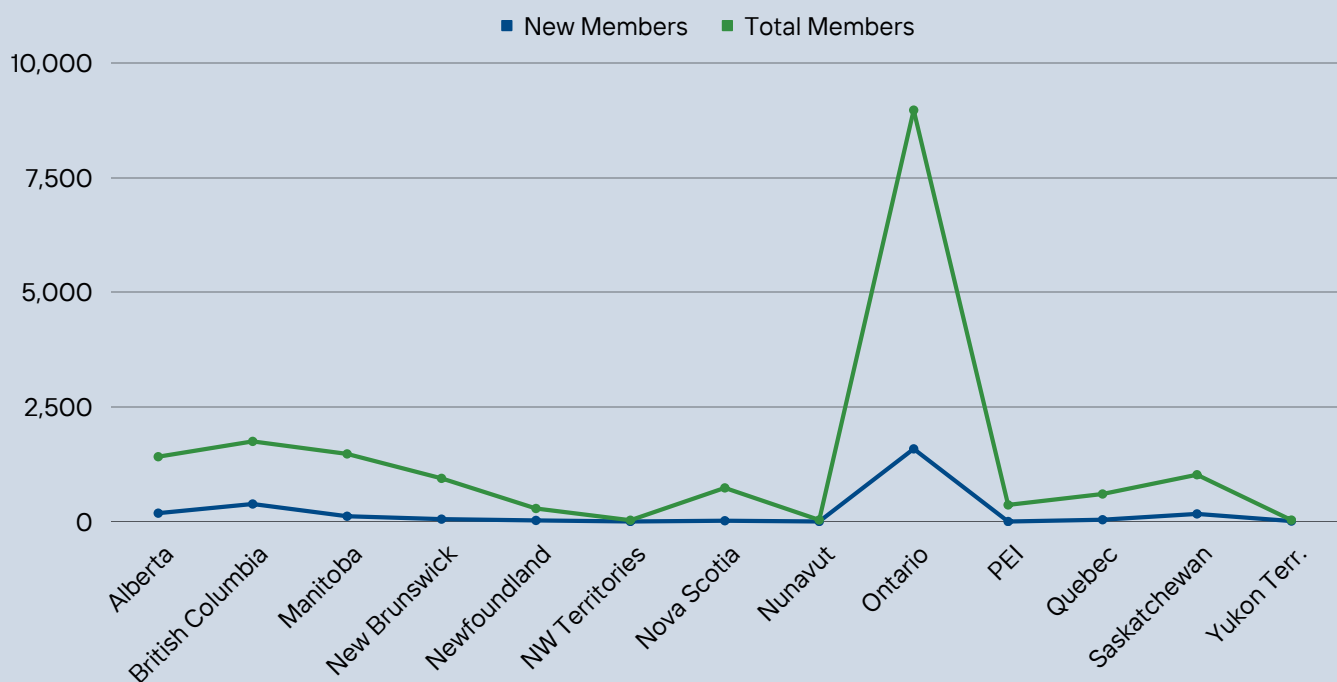




## OUR GROWING NETWORK

In 2022, First Book Canada registered 2,612 new members, with our largest network member increase in Ontario. This underscores the need to further expand our presence in other provinces.

As of December 2022, First Book Canada had 17,676 registered members. While there's noticeable growth in the western and eastern regions, there's room for expansion, particularly in Indigenous communities and other provinces.

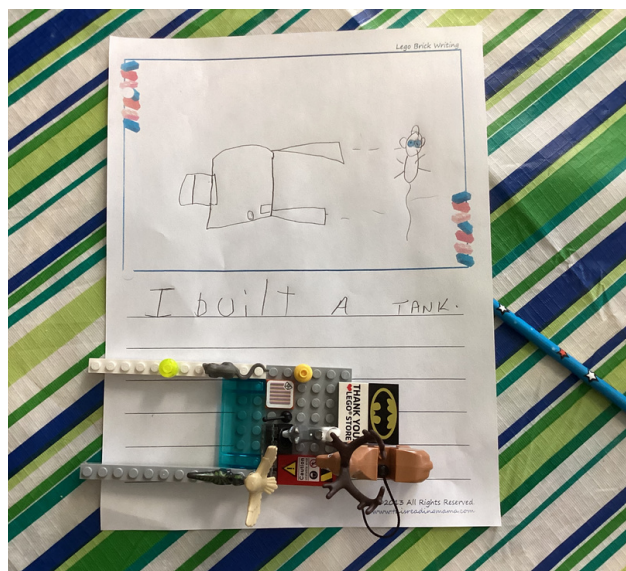


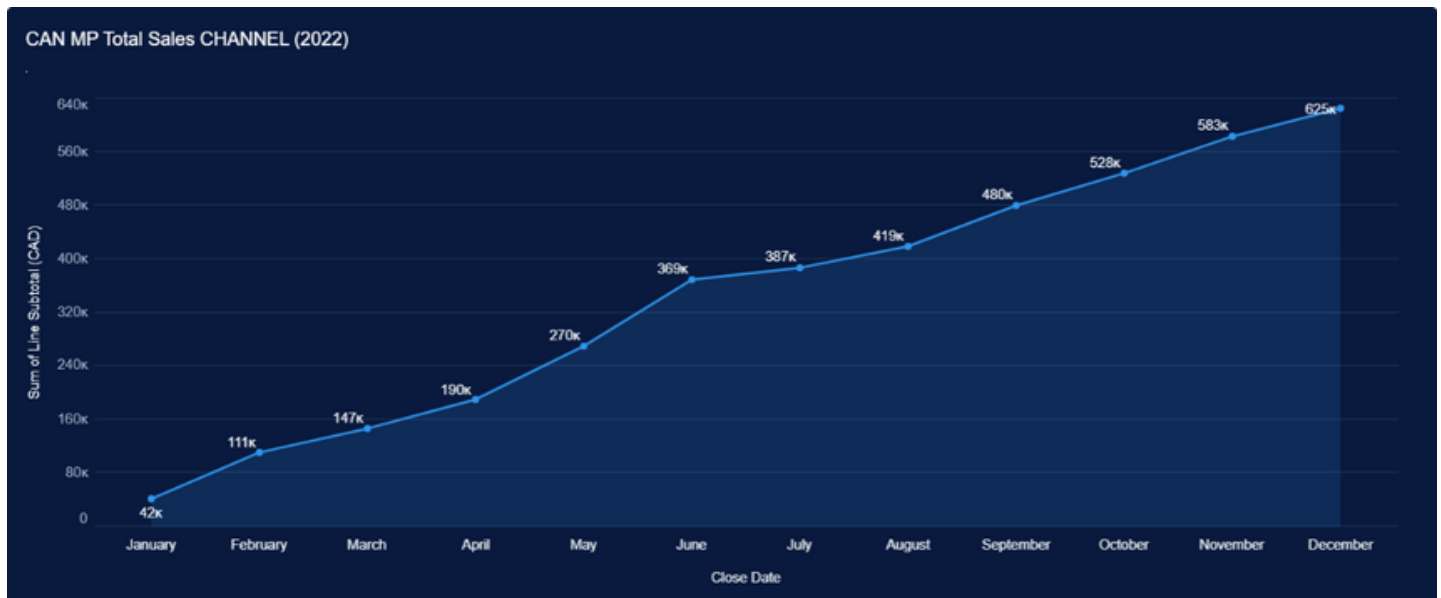
# OUR MARKETPLACE



The First Book Canada Marketplace, a non-profit e-Commerce site provides FBC members with access to low-cost books, award-winning resources, activity kids, school supplies and more. The Marketplace features professionally curated diverse/inclusive books and resources to address the needs and lived experience of children in underserved communities.

2022 marked a transformative year as we introduced our LEGO Brick Replay Kits and Educational Course Packs. 8,000 LEGO Brick Replay Kits were distributed. Course Pack, 'Build the Change: A Future Without Waste' launched on January 9, 2022, with eight members embracing this innovation. The very next day, 'Build the Change: Biodiversity and Climate Change' made its debut, capturing the hearts and minds of 111 members. These impactful introductions reaffirm our unwavering commitment to breaking down educational barriers for all children, transcending backgrounds.

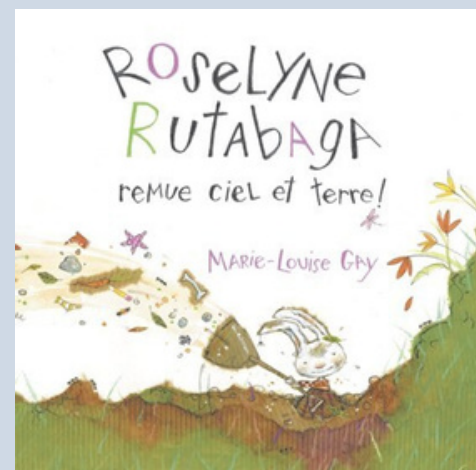




The 2022 marketplace sales were \$625,353.27, reflecting a shared commitment to changing lives and shaping brighter futures. The data represents the triumphs of partnership and the power of giving, creating a story of empowerment and possibility.

# 110,000+

Delivering Affordable Books to Children Across Canada with our **First Book Canada Marketplace** has been an incredible success, providing more than 110,000 books and educational resources to kids throughout Canada. One of our top-selling titles in 2022 was **Roselyne Rutabaga Remue Ciel et Terre!**, a French-language book by Canadian author Marie-Louise Gay. The story emphasizes the value of teamwork, determination, and bravery, and quickly became a beloved favorite among our members.



At First Book Canada, we believe that every child deserves access to quality books. We're committed to continuing to provide affordable and engaging reading materials to children across Canada, and we're grateful for the support of our generous donors and partners who make it all possible.



# Cultivating Emotional Wellness: Taking Care of Our Students and Educators

First Book Canada presented another free online resource, available on our website, titled '**Taking Care: An Educator Guide to Healthy Habits for Student Emotional Wellness**,' a comprehensive guide, empowering educators to foster emotional well-being in the classroom. It explores proactive and protective strategies toward social and emotional learning, stress management, mindfulness, and mental health - embodying our commitment to holistic education. The guide equips educators with tools to navigate emotional complexities and cultivate resilient, empathetic, and thriving communities in classrooms.

It places a strong emphasis on making social and emotional learning a priority in classrooms for all students in grades 3 through 8. The guide is divided into two sections: **Proactive & Protective**, and **Supportive & Responsive**, with each section discussing various topics related to addressing students' mental health concerns and equipping educators with tools to support their students' well-being.

The guide also features tangible advice and insights from educators and mental health practitioners in the First Book Canada Network, who understand the many and varied challenges experienced by children in low-income communities.

## Some of the Books to Support Social & Emotional Learning (S.E.L) on the First Book Canada Marketplace:



# RACIAL EQUITY AND CULTURAL INCLUSION

Racial representation and cultural inclusion are central to educational equity and have been deeply embedded in First Book Canada's mission and models throughout our history. In 2022, First Book Canada continued to expand an existing initiatives, including:

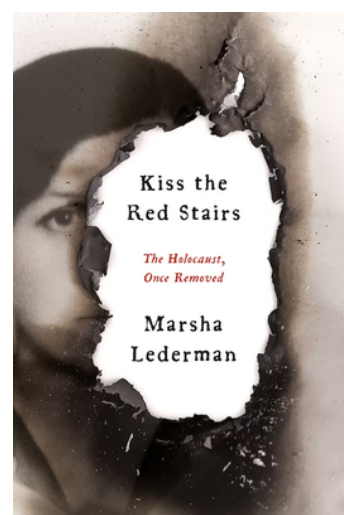
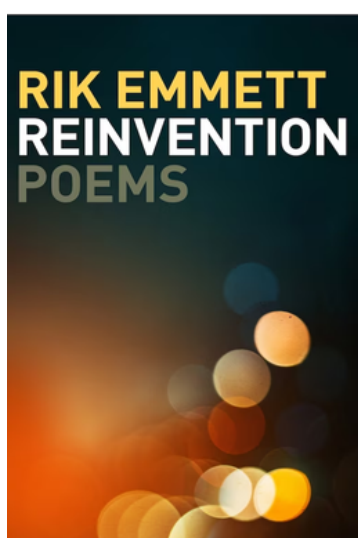
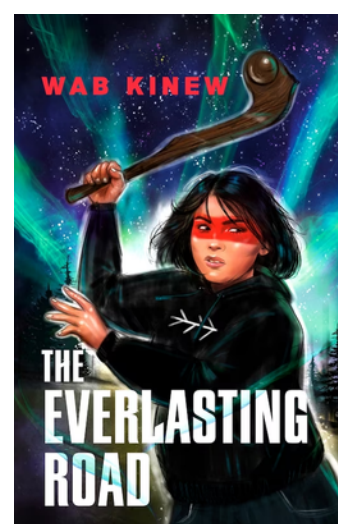
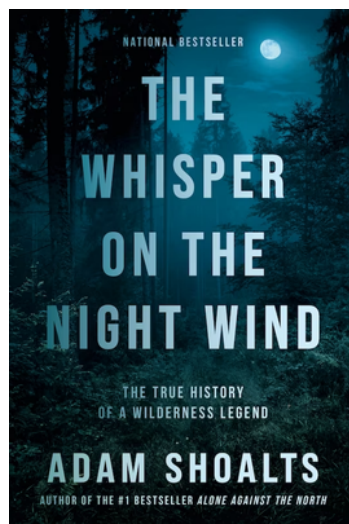
## 1,224

1,224 students at **48 schools** were supported through the **RBC Stories of Empowerment** educational initiative. The schools that benefited from this initiative were **Igloolik High School, East Three Secondary School, Qarmartalik School, Grand Rapids School, Fort Frances High School, St. Patrick Catholic Secondary School, Amiskwaicy Academy, (20 schools) at The Toronto International Vocal Arts Festival at The Concert Hall, Elmwood High School, J.L. Ilsley High School, Nanaimo District Secondary School, plus 18 more.** For the fourth year, RBC Foundation committed to empowering students through the Reading Celebrations project for grade 11 and 12 classrooms. Over 10 schools in The North were engaged in the program with the help of Connected North.

## 6

Six authors were featured at the events, where they shared their personal experiences on essential topics such as resilience, mental health, and career planning. As participating students prepared for graduation, they also received a copy of the author's book as a bonus. The titles and authors of the books were as follows:

- **Borders by Thomas King & Natasha Donovan**
- **The Whisper on the Night Wind by Adam Shoalts**
- **Walking in Two Worlds by Wab Kinew**
- **Reinvention: Poems by Rik Emmett**
- **Escape from Manus Prison by Jaivet Ealom**
- **Kiss the Red Stairs by Marsha Lederman**



8,000

First Book Canada joined forces with the Start2Finish Indigenous Literacy Enhancement Program. The initiative provided greater access to literature for indigenous communities across Canada. Eight book vending machines were installed in eight cities, with tokens distributed to members of these communities. Approximately 8,000 books have been distributed through these vending machines.

Over 3,000 children have benefited from the literacy enhancement program, which provides further access to literature.



# EVENT & PROGRAM HIGHLIGHTS



As we reflect on another impactful year at First Book Canada, we are thrilled to share with you the highlights of our efforts in 2022. Through unwavering dedication and collaboration with our partners, we continued to advance our mission of fostering a love for reading and empowering communities across the country. From the launch of innovative programs to expanding our reach into underserved regions, this section encapsulates the remarkable strides we've made to inspire lifelong learners, promote literacy, and make a difference in the lives of Canadian children and educators. Join us on this journey as we celebrate the milestones, partnerships, and stories that define our commitment to a brighter and more literate future for all.

- 01 **Raptors 905 Summer Reading Challenge**  
[Partnered with Raptors 905 to establish a summer reading challenge for students in underprivileged areas.](#)
- 02 **Turn The Page**  
[Approximately 56 book copies were distributed to 45 children in grades 2 and 3 in Toronto and Mississauga](#)
- 03 **Best Home Library**  
[More than 22,000 books have been distributed to children across Canada through the Best Home Library Project.](#)
- 04 **Pongapalooza**  
[Over 400 participants fought for Ping Pong glory and raised approx. \\$50,000. Ponga heros included authors, teachers, publishers and bankers.](#)
- 05 **The Indigenous Literacy Project**  
[Our reach now extends to 8 Indigenous communities across Canada, including Ottawa, Toronto, London, Calgary, Winnipeg, Prince Albert, Calgary and Niagara.](#)

## BEST HOME LIBRARY



## RAPTORS 905 SUMMER READING CHALLENGE



## THE INDIGENOUS LITERARY PROJECT





## Board of Directors

**Tanis Feasby**  
Senior Vice-  
President,  
Corporate  
Communications,  
RBC  
**Chairperson**

**Julie Fortenbery**  
Sr. VP - Finance,  
First Book  
**Treasurer**

**Kyle Zimmer**  
Founder & CEO,  
First Book USA  
**Secretary**

**Julie Lavoie**  
Partner, Co-Leader  
Business Lines,  
Levio Business +  
Technology

**Luke Gee**  
Vice President,  
Everyday Banking  
Product, TD Bank  
Group

**Ryan Peterson**  
Chartered  
Professional  
Accountant, RKP

**Leah Garrad-Cole**  
Co-Founder and VP  
of Marketing, Sproos

**Rumeet Billan Ph.D**  
Learning Architect-  
Viewpoint  
Leadership Inc.

**Alvaro Lozada**  
**Cauduro**  
Vice President and  
General Manager,  
Global Fraud  
Operations - Amex  
Bank of Canada

**Nancy Mills**  
VP Client Implementation,  
RBC Capital Markets





# WE'D LIKE TO THANK ALL OUR PARTNERS FOR THEIR GENEROUS SUPPORT

We couldn't do what we do without these publishers, partners, and non-profits.

## 2022 Corporate Partners





## Publishing Partners



Penguin  
Random House  
Canada



The Canadian  
Children's  
Book Centre



Fitzhenry & Whiteside



ANANSI



GROUNDWOOD



Kids Can Press is a  **CORUS**™ Entertainment company





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CORMORANT BOOKS



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NEWFOUNDLAND'S PREMIER PUBLISHER SINCE 1973  
www.breakwaterbooks.com



RMB



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SCHUSTER

## Non-Profit Partners



United for Literacy  
Littératie Ensemble

Connected North



## DONOR HIGHLIGHTS



### Expressing Gratitude to Our Donors and Partners

Our organization is deeply grateful for the unwavering support and generosity of our donors, whose commitment to our cause has been instrumental in advancing our mission to provide books and educational resources to underprivileged children across Canada. We take immense pride in spotlighting the incredible contributions and partnerships that have made a significant impact on the lives of countless young learners. Together, we have created bridges to knowledge, opened doors to imagination, and sparked a lifelong love for reading.

We would like to express our gratitude to our donors and partners who share our belief in the power of literacy. Hope Love Give is our main fundraising campaign, which we highlight in this section. This annual year-end campaign is aimed at providing new books and resources to children in need. In its fourth year, the campaign has helped us move closer to our goal of providing 10 million books to children in need by 2022. The fundraiser has raised over \$225,000 for this significant cause.

## HURRICANE SUPPORT

In the face of adversity after Hurricane Fiona struck Nova Scotia's Cape Breton in September 2022, 10 of our dedicated First Book Canada members stationed in the heart of the storm were honored with gift certificates. Their commitment to community recovery and education led to the allocation of \$15,150.00 for relief efforts.

A total of \$12,110 was swiftly utilized by these remarkable individuals, empowering them to provide 2,281 essential resources to Nova Scotia, including 2,182 books and 99 crucial non-book items. Their extraordinary actions not only signify resilience but also embody the spirit of compassion and learning that defines First Book Canada's mission.



# LEADERSHIP

## Staff

**Heather  
Farquharson**  
Executive Director

**Amy Smithers**  
Program Manager

**Gurdeep Dhaliwal**  
Strategic Alliances  
Manager

**Julie Mai**  
E-Commerce & Data  
Coordinator

**Tessa Eisenberg**  
National  
Engagement  
Manager

**Rachael Karstadt**  
Program  
Coordinator

**Keanna Dal Bello**  
Marketing  
Coordinator

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# **FIRST BOOK/LE PREMIERE LIVRE**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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<b>7.</b>	<b>Statement of Cash Flows</b>
<b>8-13.</b>	<b>Notes to Financial Statements</b>

## INDEPENDENT AUDITOR'S REPORT

To the Directors  
First Book/Le Premiere Livre  
MISSISSAUGA  
Ontario

### **Qualified Opinion**

We have audited the accompanying financial statements of First Book/Le Premiere Livre which comprise the statement of financial position as at December 31, 2022 and the statements of operations, statement of changes in net assets and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statement present fairly, in all material respects, the financial position of the entity as at December 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 Qualified Opinion**

As is common with many charitable organizations, First Book/Le Premiere Livre derives part of its revenues from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from this source was limited to the amounts recorded in the records of First Book/Le Premiere Livre and we were not able to determine whether any adjustments might be necessary to fundraising and donations revenue, deficiency of revenues over expenses, and cash flows from operations for the years December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years.

Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 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 qualified 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 the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

- 1 -

JOHN C. KARRAM, CPA  
PAUL A. SIMPSON, CPA  
PAUL W. McMULLEN, CPA

MARK D. POTTER, CPA  
MICHAEL J. McNEILL, CPA  
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ANTHONY G. DI LIBERTO, CPA  
JENNIFER A. STALEY, CPA

**NORTONMcMULLEN LLP**

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**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.



NORTON McMULLEN LLP  
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada  
May 31, 2023



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**FIRST BOOK/LE PREMIERE LIVRE****STATEMENT OF FINANCIAL POSITION****As at December 31,****2022****2021**

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**ASSETS****Current**

Cash	<b>\$ 59,454</b>	\$ 24,973
Restricted cash	<b>135,875</b>	444,842
Accounts receivable (Note 2)	<b>80,136</b>	28,426
Prepaid expenses	<b>11,862</b>	11,025
	<b>\$ 287,327</b>	\$ 509,266
<b>Capital Assets (Note 3)</b>	<b>2,199</b>	2,468
	<b>\$ 289,526</b>	\$ 511,734

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**LIABILITIES****Current**

Accounts payable and accrued liabilities (Note 4)	<b>\$ 789,137</b>	\$ 656,278
Government remittances payable		- 11,505
Deferred contributions (Note 5)	<b>131,525</b>	405,637
Deferred program income (Note 6)		<b>4,350</b>
	<b>\$ 925,012</b>	\$ 1,112,625

**NET ASSETS**

<b>(635,486)</b>	(600,891)	<b>\$</b>
<b>289,526</b>	\$ 511,734	

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**Commitments (Note 7)**

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Approved by the Board:

\_\_\_\_\_ Director      \_\_\_\_\_ Director

See accompanying notes

-3-

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**FIRST BOOK/LE PREMIERE LIVRE**  
**STATEMENT OF CHANGES IN NET ASSETS**

For the year ended December 31,

**2022**

2021

---

**BALANCE** - Beginning

**\$ (600,891)** (260,210)

Deficiency of revenues over expenses

**(34,595)** (340,681) **\$**

**BALANCE** - Ending

**(635,486)** \$ (600,891)

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See accompanying notes

- 4 -

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**FIRST BOOK/LE PREMIERE LIVRE****STATEMENT OF OPERATIONS**

For the year ended December 31,

**2022**

2021

**REVENUES**

Books received in-kind	<b>\$ 3,329,648</b>	\$ 5,769,393
Fundraising and donations (Note 5)	<b>789,544</b>	584,013
Program income	<b>669,776</b>	556,020
Program income on account of grants (Note 5)	<b>231,341</b>	123,186
Other Income	<b>9,467</b>	8,917
	<b>\$ 5,029,776</b>	\$ 7,041,529

**PROGRAM EXPENSES**

Books distributed in-kind	<b>\$ 3,329,648</b>	\$ 5,769,393
Cost of books for program distribution (Note 4)	<b>836,338</b>	583,708
Salaries and benefits	<b>398,534</b>	411,540
Other program expenses	<b>114,266</b>	100,832
Shipping costs	<b>85,749</b>	173,640
Travel and lodging	<b>7,423</b>	3,909
	<b>\$ 4,771,958</b>	\$ 7,043,022

**ADMINISTRATIVE EXPENSES**

Salaries and benefits	<b>\$ 165,024</b>	\$ 211,058
Other administrative expenses (Note 4)	<b>54,769</b>	48,883
Professional fees	<b>50,961</b>	41,179
Occupancy	<b>12,147</b>	32,296
Loss (gain) on foreign exchange	<b>6,609</b>	(1,517)
Travel and lodging	<b>1,534</b>	5,081
Amortization	<b>1,369</b>	2,208
	<b>\$ 292,413</b>	\$ 339,188

**TOTAL EXPENSES****\$ 5,064,371** \$ 7,382,210 **\$****DEFICIENCY OF REVENUES OVER EXPENSES****(34,595)** \$ (340,681)

See accompanying notes

- 5 -

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**FIRST BOOK/LE PREMIERE LIVRE****STATEMENT OF CASH FLOWS**

For the year ended December 31,

**2022**2021

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**CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):****OPERATING ACTIVITIES**

Deficiency of revenues over expenses	<b>\$ (34,595)</b>	\$ (340,681)
Items not affecting cash:		
Amortization		<b>1,369</b>
		2,208
	<b>\$ (33,226)</b>	\$ (338,473)
Net change in non-cash working capital balances:		
Accounts receivable	<b>(51,710)</b>	27,610
Prepaid expenses	<b>(837)</b>	284
Accounts payable and accrued liabilities	<b>132,859</b>	165,993
Government remittances payable	<b>(11,505)</b>	11,505
Deferred contributions	<b>(274,112)</b>	319,230
Deferred program income	<b>(34,855)</b>	39,205
	<b>\$ (273,386)</b>	\$ 225,354

**INVESTING ACTIVITIES****(1,100) -**

Purchase of capital assets		
	<b>\$ (274,486)</b>	\$ 225,354

**INCREASE (DECREASE) IN CASH****469,815** 244,461**CASH - Beginning****\$ 195,329** \$ 469,815**CASH - Ending**

Cash is allocated as follows:

**\$ 59,454** \$ 24,973

Unrestricted cash

**135,875** 444,842

Restricted cash

**\$ 195,329** \$ 469,815

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See accompanying notes

- 6 -



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## **FIRST BOOK/LE PREMIERE LIVRE**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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#### **NATURE OF OPERATIONS**

First Book/Le Premiere Livre (the "Organization") provides new books and education materials to Canadian children from low-income families. The Organization works through existing community programs and literacy efforts to provide a steady stream of new, free or low cost books to elevate educational programming and improve access to reading materials. Through work with Canadian publishing partners, an ever expanding network of volunteers and book recipient groups, the Organization provides unprecedented access to new books for programs serving children in need.

The Organization was incorporated without share capital under Part II of the Canada Corporations Act by Letters Patent dated April 23, 2003 and on December 31, 2013 received its Certificate of Continuance under the Canada Not-for-profit Corporations Act. The Organization is a registered charitable organization and is therefore exempt from Income tax.

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

##### **a) Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used. Significant estimates include the estimated useful life of capital assets.

##### **b) Foreign Currency Translation**

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the year-end exchange rate. Revenues and expenses are translated at the average exchange rate during the year.

##### **c) Cash and cash equivalents**

Cash and cash equivalents consists of bank deposits.

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## FIRST BOOK/LE PREMIERE LIVRE

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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#### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

##### d) Capital Assets

Capital Assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods:

##### Rate Method

Computer equipment	55%	declining balance
Furniture and equipment	20%	declining balance

##### e) Impairment of Capital Assets

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

##### f) Revenue Recognition

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

Program income is recognized as revenue when orders are accepted and collection is reasonably assured. Program income received that spans multiple years is deferred and recognized as revenue based on the actual amount of program items purchased over time by the customer.

##### g) Contributed Services

Volunteer services contributed to the Organization in carrying out its operating activities are not recognized in these financial statements due to the difficulty in determining their fair value.

##### h) Contributed Goods

Books contributed in-kind are recognized when the fair value of the contributed goods can be reasonably estimated and when they are used in the normal course of the Organization's program operations. Fair value is determined on the basis of appraised values or the market value of similar goods.

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## **FIRST BOOK/LE PREMIERE LIVRE**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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#### **1. SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### **i) Financial Instruments**

###### **Initial Measurement**

The Organization initially measures its financial assets and liabilities originating or exchanged in arm's length transactions at fair value.

Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

###### **Subsequent Measurement**

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets subsequently measured at amortized cost include cash, and certain amounts included in accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities originating or exchanged in arm's length transactions.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

###### **Impairment**

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no indicators of impairment in the current year.

##### **j) Allocation of Common Expenses**

The Organization incurs expenses to support restricted and unrestricted programs as well as to maintain program and administrative functions. The preparation of financial statements requires management to make estimates and assumptions based on currently available information in order to allocate shared expenses between these activities. Such estimates and assumptions affect gross program and administrative expenses reported on the statement of operations.

#### **2. ACCOUNTS RECEIVABLE**

Included in accounts receivable is HST refundable of \$7,456 (2021 - \$13,819).



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## FIRST BOOK/LE PREMIERE LIVRE

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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#### 3. CAPITAL ASSETS

Capital assets consist of the following:

	2022			2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 7,613	\$ 6,079	\$ 1,534	\$ 1,637
Furniture and equipment	7,732	7,067	665	831
	<u>\$ 15,345</u>	<u>\$ 13,146</u>	<u>\$ 2,199</u>	<u>\$ 2,468</u>

#### 4. RELATED PARTY TRANSACTIONS AND BALANCES

The Organization engaged with First Book USA Inc., an affiliated company, in the following transactions:

2022 2021

Cost of books for program distribution	\$ 501,144	\$ 536,077
Other administrative expenses	6,582	8,132
	<u>\$ 507,726</u>	<u>\$ 544,209</u>

These transactions were carried out in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration agreed upon by the related parties.

Amounts owing from (to) First Book USA Inc. result from shared expense invoicing, cross inventory purchasing, and volume purchase rebates. The resulting year end balances are non-interest bearing and due on demand as follows:

2022 2021

Included in accounts payable and accrued liabilities	\$ 725,090	\$ 636,059
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## FIRST BOOK/LE PREMIERE LIVRE

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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#### 5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of restricted contributions received for which the associated expense has not yet been incurred. The change in deferred contributions consists of the following:

**2022** 2021

	Balance - Beginning	<b>\$ 405,637</b>	\$ 86,407
	Add: Restricted contributions received in the year	<b>155,126</b>	442,416
Less: Restricted contributions recognized as program income			on account of grants <b>231,341</b>
			123,186
Less: Restricted contributions recognized as fundraising and donations revenue	<b>197,897</b>	-	
	Balance - Ending	<b>\$ 131,525</b>	\$ 405,637

#### 6. DEFERRED PROGRAM INCOME

Deferred program income consists of amounts received from a customer in advance for books purchases. The change in deferred program income consists of the following:

**2022** 2021

Balance - Beginning	<b>\$ 39,205</b>	\$ -
Add: Advance received in the year	-	50,000
Less: Program income recognized as revenue	<b>34,855</b>	10,795
	Balance - Ending	<b>\$ 4,350</b>

#### 7. COMMITMENTS

Subsequent to the year end, the Organization entered into a lease agreement for a premise commencing on August 1, 2023 and expiring on November 30, 2027. This lease agreement includes a clause terminating the current lease for their premise as of July 31, 2023. Future minimum annual rental payments (excluding property taxes, maintenance, and insurance) for each of the next five years and thereafter are as follows:

2023 **\$ 42,614**

2024 **40,690**

2025 **40,690**

2026 **40,690**

2027 **37,299**

**\$ 201,983**

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## FIRST BOOK/LE PREMIERE LIVRE

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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#### 8. FINANCIAL INSTRUMENTS

##### Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at December 31, 2022:

##### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization is exposed to this risk mainly with respect to its accounts receivable. The Organization provides credit to its clients in the normal course of operations, however the risk is limited as accounts receivable consists primarily of contributions receivable and amounts due from Canada Revenue Agency. There is no concentration of credit risk as at December 31, 2022. There has been no change in the assessment of credit risk from the prior year.

##### b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital and by generating sufficient cash flows from operations. There has been no change in the assessment of liquidity risk from the prior year.

##### c) 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 comprises three types of risk: currency risk, interest rate risk and price risk. The Organization is mainly exposed to currency risk as follows:

##### i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2022 accounts payable of \$16,758 (2021 - \$Nil), are denominated in US dollars and have been converted into equivalent Canadian dollars at the exchange rate in effect at the year end. Foreign exchange losses are included in deficiency of revenues over expenses and total \$6,609 (2021 - gains of \$1,517). The exposure to this risk changes as transaction amounts change and as exchange rates fluctuate. The average USD exchange rate for 2022 was 1.3013 (2021 - 1.2535).