

Story Planet
Financial Statements
June 30, 2013



Independent Auditor's Report

To the members of

Story Planet

Report of the financial statements

We have audited the accompanying financial statements of **Story Planet**, which comprise the statement of financial position as at **June 30, 2013** and the statement of operations, statement of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

In common with many charitable organizations, the organization derives part of its revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenses and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and fundraising revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2013 and the results of its operations and the changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The comparative figures for the year ended June 30, 2012 are unaudited.

Clarkson Rouble LLP

Mississauga, Ontario
January 16, 2014

Clarkson Rouble LLP
Chartered Accountants
Licensed Public Accountants



Story Planet

Statement of Financial Position As at June 30

	2013	2012 Unaudited
Assets		
Current		
Cash	\$ 7,487	\$ 5,260
Accounts receivable	779	-
Inventories	4,634	1,021
Sales taxes receivable	9,593	2,750
Prepays	804	497
	<u>23,297</u>	<u>9,528</u>
Equipment (Note 2)	<u>14,024</u>	<u>9,432</u>
	<u>\$ 37,321</u>	<u>\$ 18,960</u>

Liabilities

Current		
Accounts payable and accrued charges	\$ 20,314	\$ 4,640
Loan payable (Note 3)	5,533	5,533
Deferred revenue (Note 4)	27,500	21,350
	<u>53,347</u>	<u>31,523</u>

Net Assets

Unrestricted net assets	<u>(16,026)</u>	<u>(12,563)</u>
	<u>\$ 37,321</u>	<u>\$ 18,960</u>

On behalf of the Board:

Director

Director

Story Planet

Statement of Operations and Net Assets Year Ended June 30

	2013	2012 Unaudited
Revenue		
Grants	\$ 45,327	\$ 5,000
Donations	83,896	18,358
Workshops	1,440	4,565
Sales	49,677	855
	<u>180,340</u>	<u>28,778</u>
Expenses		
Salaries, consultants and benefits	34,818	16,021
Program facilitators and costs	54,260	7,997
General store product purchases	26,183	5,927
General store other expenses	5,685	7,780
Office and general	18,793	3,607
Occupancy	19,327	6,316
Repairs and maintenance	-	1,636
Memberships	250	412
Insurance	6,100	1,550
Amortization	5,696	3,043
Accounting and audit	12,691	2,000
	<u>183,803</u>	<u>56,289</u>
Deficiency of revenue over expenses	(3,463)	(27,511)
Net assets, beginning of year	(12,563)	14,948
Net assets, end of year	\$ (16,026)	\$ (12,563)

Story Planet

Statement of Cash Flows Year Ended June 30

	2013	2012 Unaudited
Operating activities		
Deficiency of revenue over expenses for the year	\$ (3,463)	\$ (27,511)
Items not requiring an outlay of cash		
Amortization	5,696	3,043
	<u>2,233</u>	<u>(24,468)</u>
Cash generated from (used for)		
Operating working capital		
Accounts receivable	(779)	-
Inventories	(3,613)	-
Sales taxes receivable	(6,843)	(2,750)
Prepaid expense	(307)	(497)
Accounts payable	15,674	4,640
Deferred revenue	6,150	21,350
	<u>12,515</u>	<u>(1,725)</u>
Increase (decrease) from operating activities		
Investing activity		
Equipment and leasehold additions	(10,288)	(9,784)
	<u>(10,288)</u>	<u>(9,784)</u>
Decrease from investing		
Increase (decrease) in cash	2,227	(11,509)
Cash, beginning of year	5,260	16,769
Cash, end of year	\$ 7,487	\$ 5,260

Story Planet

Notes to Financial Statements June 30, 2013

Story Planet is a not-for-profit organization providing a creative literacy hub for kids for the purpose of running creative workshops for kids in story making, bringing artists, writers and kids together to create written and visual stories, and providing workshops to schools and community centres.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

a) Revenue recognition

Story Planet follows the deferral method of accounting for contributions. Contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from retail and vending operations is recognized when title passes to the customer, which is generally at the point of sale.

b) Inventories

Inventories have been stated at the lower of cost (first-in, first-out) or net realizable value.

c) Capital assets

Capital assets are recorded at cost. Amortization of furniture & equipment is provided for on a straight-line basis over 5 years. Computer equipment is amortized on a straight-line basis over 3 years. Leasehold improvements are amortized on a straight line basis over the remaining terms of the relevant leases.

d) Donated materials and services

Donated materials and capital assets are recognized in the accounts when the fair market value of the materials is readily determinable and has been received by the organization.

Volunteers contribute many hours per year to assist Story Planet in carrying out its mandate. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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Notes to Financial Statements

June 30, 2013

1. Significant accounting policies (continued)

e) Uses of estimates by management

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Equipment

	2013		2012 Unaudited	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture & fixtures	\$ 9,340	\$ 3,736	\$ 5,604	\$ 7,472
Computer equipment	8,869	3,936	4,933	1,960
Leasehold improvements	4,554	1,067	3,487	-
	\$ 22,763	\$ 8,739	\$ 14,024	\$ 9,432

3. Loan payable

Loan payable represents the balance owing to the production company Tapas, which is a company owned by the Executive Director. During 2011, Tapas made purchases on behalf of Story Planet. The purchases were for items in the normal course of operation and are measured at the purchase amount. There were no additions to the loan payable balance in the current year.

4. Deferred Contributions

	2013	2012 Unaudited
Balance, beginning of period	\$ 21,350	\$ -
Less: deferred contributions taken into income	(21,350)	-
Plus: contributions related to subsequent year	27,500	21,350
Balance, end of period	\$ 27,500	\$ 21,350

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Notes to Financial Statements

June 30, 2013

5. Financial Instruments

Financial instruments are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statements of operations in the period in which the gain or loss occurs.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that Story Planet would receive or pay to settle a financial asset or financial liability as at the reporting date. The fair values of the amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation.

Risk Management

The organization is not subject to any significant risks. The organization does not have any debt nor does it have any significant receivables that would be subject to credit or interest rate risk.