

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM**

**FINANCIAL STATEMENTS**

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**JUNE 30, 2022**

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Vermont Square Parent-Child Mother Goose Program

### *Qualified Opinion*

I have audited the accompanying financial statements of Vermont Square Parent-Child Mother Goose Program, which comprise the statement of financial position as at June 30, 2022 and the statement 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 my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Vermont Square Parent-Child Mother Goose Program as at June 30, 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*

In common with many charitable organizations, Vermont Square Parent-Child Mother Goose Program derives revenue from resource sales and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Vermont Square Parent-Child Mother Goose Program. Therefore, I was not able to determine whether any adjustments might be necessary to recorded resource sales and fundraising, excess of revenues over expenses, cash flows from operations for the years ended June 30, 2022 and 2021, current assets as at June 30, 2022 and 2021, and net assets as at July 1 and June 30 for both the 2022 and 2021 years. My audit opinion on the financial statements for the year ended June 30, 2021 was modified accordingly because of the possible effects of this scope limitation.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Vermont Square Parent-Child Mother Goose Program in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit 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 Vermont Square Parent-Child Mother Goose Program 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 Vermont Square Parent-Child Mother Goose Program or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Vermont Square Parent-Child Mother Goose Program financial reporting process.

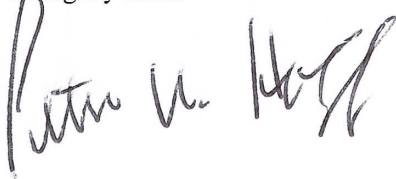
*Auditor's Responsibility for the Audit of the Financial Statements*

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatements 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 my 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 Vermont Square Parent-Child Mother Goose Program 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 Vermont Square Parent-Child Mother Goose Program ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Vermont Square Parent-Child Mother Goose Program 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.

I 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 I identify during my audit.



PETER W. HOGG, CPA, PROFESSIONAL CORPORATION  
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Toronto, Ontario  
November 16, 2022


**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 156,211	\$ 192,710
Short-term investment (Note 3)	20,052	20,059
Accounts receivable	5,425	2,725
GST/HST receivable	2,684	2,637
Inventory	16,913	17,188
Prepaid expenses	939	864
	<u>\$ 202,224</u>	<u>\$ 236,183</u>

<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 10,457	\$ 12,692
Source deductions payable	1,353	2,387
CEBA Loan	60,000	60,000
Deferred revenue	2,700	-
Deferred grants (Note 4)	35,363	58,397
	<u>109,873</u>	<u>133,476</u>
<b>Net Assets</b>		
Unrestricted	<u>92,351</u>	<u>102,707</u>
	<u>\$ 202,224</u>	<u>\$ 236,183</u>

**See accompanying notes to these financial statements**

Approved on behalf of the Board:

  
Board Chair  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
 STATEMENT OF CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Operating Reserve Fund</u>	<u>2022</u>	<u>2021</u>
<b>Balance, beginning of year</b>	\$ 63,707	\$ 39,000	\$ 102,707	\$ 68,068
<b>Inter-fund transfer</b>	-	-	-	-
<b>Excess (deficiency) of revenue over expenses</b>	<u>(10,356)</u>	<u>-</u>	<u>(10,356)</u>	<u>34,639</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 53,351</u>	<u>\$ 39,000</u>	<u>\$ 92,351</u>	<u>\$ 102,707</u>

*See accompanying notes to these financial statements*

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>		
Foundations (Note 5)	\$ 61,232	\$ 85,098
Workshops and resources	49,984	54,101
Ontario Covid-19 business support	31,794	-
City of Toronto	29,166	28,645
Other grants (Note 6)	19,634	8,660
Memberships, fundraising and donations	2,321	9,107
Canada Emergency Wage Subsidy	2,135	41,800
Interest and other revenue	<u>430</u>	<u>304</u>
	<u>196,696</u>	<u>227,715</u>
<b>EXPENSES</b>		
Program costs	63,467	68,682
Salaries and benefits	59,988	46,327
Workshops and resources	47,328	50,280
Office and general	12,837	6,218
Professional fees	9,827	12,338
Occupancy costs	8,937	5,376
Insurance	3,471	2,762
Special projects	1,014	790
Membership	<u>183</u>	<u>303</u>
	<u>207,052</u>	<u>193,076</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (10,356)</u>	<u>\$ 34,639</u>

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>2022</u>	<u>2021</u>
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>Operating activities</b>		
Excess (deiciency) revenue over expenses for year	\$ <u>(10,356)</u>	\$ <u>34,639</u>
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(2,700)	(2,700)
(Increase) decrease in grants receivable	-	21,332
(Increase) decrease in GST/HST receivable	(47)	(1,858)
(Increase) decrease in inventory	275	305
(Increase) decrease in prepaid expenses	(75)	-
Increase (decrease) in accounts payable and accruals	(2,235)	616
Increase (decrease) in source deductions payable	(1,034)	(350)
Increase (decrease) in CEBA loan	-	20,000
Increase (decrease) in deferred grants	(23,034)	15,455
Increase (decrease) in deferred revenue	<u>2,700</u>	<u>-</u>
Total cash from operating activities	<u>(26,150)</u>	<u>52,800</u>
<b>INCREASE IN CASH FOR YEAR</b>	(36,506)	87,439
Cash, beginning of year	<u>212,769</u>	<u>125,330</u>
<b>CASH, END OF YEAR</b>	<u>\$ 176,263</u>	<u>\$ 212,769</u>
 <b>CASH AND CASH EQUIVALENTS REPRESENTED BY:</b>		
Cash	\$ 156,211	\$ 192,710
Short-term investment	<u>20,052</u>	<u>20,059</u>
	<u>\$ 176,263</u>	<u>\$ 212,769</u>

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**1. PURPOSE OF THE ORGANIZATION**

Vermont Square Parent-Child Mother Goose Program (the "Corporation") uses rhymes, songs, and stories to teach parents of infants and toddlers how to foster attachment and enrich interactions with their children. It gives children's brains the right kind of stimulation during the most critical development period of their entire lives. Embracing newcomers and the rhymes and stories they bring, the program reaches out to low-income, isolated families and is committed to running programs in neighborhoods with limited resources.

The Corporation was incorporated under the Ontario Corporations Act as a corporation without share capital. The Corporation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook, the more significant of which are outlined below.

**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 that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Inventory**

Inventory is valued at the lower of cost or net realizable value with provisions made for obsolete or slow moving items.

**Revenue Recognition and Deferred Contributions**

The Corporation receives some government grants for the projects which it undertakes. Grant revenue is recognized to the extent that expenses have been incurred for the projects. Revenue is deferred for the project expenses which have yet to be incurred. Grant revenue and fee for service revenue is recorded on the accrual basis while interest, fundraising and donation revenue are recorded on the cash basis.

**Donated Services**

Volunteers assist the Corporation in carrying out its charitable programs. Since these services are not normally purchased by the Corporation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

**Financial Instruments**

The Corporation initially measures its financial instruments at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The Corporation subsequently measures its financial instruments at amortized cost. Changes in fair value are recognized in the Statement of Changes in Net Assets in the year incurred.

**Equipment**

Equipment costing less than \$2,500 is recorded as an expense in the year of purchase.

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**3. SHORT-TERM INVESTMENT**

The short-term investment is invested in a term deposit issued by TD Canada Trust, bearing interest at 2.0%. The term deposit matures June 29, 2023.

**4. DEFERRED GRANTS**

Deferred grants are as follows:

	2022	2021
	\$	\$
Ontario Trillium Foundation - First Nations Project	23,788	26,822
City of Toronto - CSP	11,575	11,575
Wolinsky Foundation	-	20,000
	<u>35,363</u>	<u>58,397</u>

Continuity of deferred grants for the year is as follows:

Deferred grants - Beginning of Year	58,397	42,942
Add - Received/receivable during the year	12,675	59,297
Less - Grant revenue recognized in the year	<u>(35,709)</u>	<u>(43,842)</u>
Deferred grants - End of Year	<u>35,363</u>	<u>58,397</u>

**5. FOUNDATIONS**

Foundations are as follows:

	2022	2021
	\$	\$
Leonard Wolinsky Foundation	20,000	20,000
P.E.A.R.L. Foundation	20,000	20,000
Etobicoke Brighter Futures	8,232	8,598
Tippet Foundation	7,000	6,500
Toronto Foundation - Shum Vourkoutiotis Fund	5,000	5,000
Jackman Foundation	1,000	-
Harris Foundation	-	10,000
The Catherine & Maxwell Meighen Foundation	-	8,000
Pottruff Family Foundation	-	5,000
CIBC Children's Foundation	-	2,000
	<u>61,232</u>	<u>85,098</u>

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**6. OTHER GRANTS**

Other grants are comprised as follows:

	2022	2021
	\$	\$
Burgundy Asset Management Ltd.	10,000	-
TD Bank Group	5,000	3,500
Ontario Trillium Foundation	4,134	4,660
Bull Wealth Management	500	500
	<u>19,634</u>	<u>8,660</u>

**7. THE OPERATING RESERVE FUND**

The purpose of the Operating Reserve Fund for the Corporation is to build and maintain an adequate level of unrestricted net assets to support the Corporation's day-to-day operations in the event of unforeseen shortfalls. The reserve fund may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

**8. COMMITMENTS**

The Corporation has no long-term lease commitments.

**9. FINANCIAL INSTRUMENTS**

The Corporation is exposed to various risks through its financial instruments.

**Credit Risk**

The Corporation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations such that the Corporation could incur a financial loss. Cash, accounts receivable, grants receivable and GST/HST receivable are exposed to credit risk. Credit risk associated with cash is minimized by depositing cash with major financial institutions. Accounts, grants and GST/HST receivables risk are minimized since these amounts are due principally from the government, relating to HST rebates, and from other credit worthy organizations.

**Interest Risk**

Interest rate risk is the risk of potential financial loss caused by fluctuations in the fair value of future cash flows of financial instruments due to changes in market interest rates.

**Liquidity Risk**

Liquidity risk is the risk that the Corporation will not be able to meet a demand for cash or fund its obligations as they come due. The Corporation minimizes its liquidity requirements by preparing and monitoring forecasts of cash flow from operations and by holding assets that can be readily converted into cash.

The Corporation's financial instruments consist of cash, accounts receivable, grants receivable, GST/HST receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant credit, interest or liquidity risks. The fair value of these financial instruments approximate their carrying values.

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**10. OTHER**

Since January 1, 2020, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown.

The Corporation has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended June 30, 2022 have not been adjusted. The duration and impact of the Covid-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position of the Corporation for future periods.