

VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM

FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023 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, 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.

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, 2023 and 2022, current assets as at June 30, 2023 and 2022, and net assets as at July 1 and June 30 for both the 2023 and 2022 years. My audit opinion on the financial statements for the year ended June 30, 2022 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.

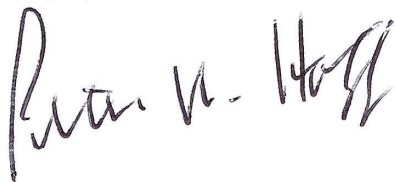
Auditor's Responsibility for the Audit of the Financial Statements

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
December 8, 2023

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	<u>2023</u>	<u>2022</u>
ASSETS		
Current		
Cash	\$ 89,067	\$ 156,211
Short-term investment (Note 3)	20,082	20,052
Accounts receivable	157	5,425
GST/HST receivable	1,831	2,684
Inventory	16,742	16,913
Prepaid expenses	<u>2,267</u>	<u>939</u>
	<u>\$ 130,146</u>	<u>\$ 202,224</u>

LIABILITIES AND NET ASSETS

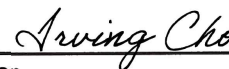
Current		
Accounts payable and accrued liabilities	\$ 17,448	\$ 10,457
Source deductions payable	2,283	1,353
CEBA Loan	60,000	60,000
Deferred revenue	-	2,700
Deferred grants (Note 4)	<u>14,835</u>	<u>35,363</u>
	94,566	109,873
Net Assets		
Unrestricted	<u>35,580</u>	<u>92,351</u>
	<u>\$ 130,146</u>	<u>\$ 202,224</u>

See accompanying notes to these financial statements

Approved on behalf of the Board:



Director



Director

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Operating Reserve Fund</u>	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 53,351	\$ 39,000	\$ 92,351	\$ 102,707
Inter-fund transfer	-	-	-	-
Deficiency of revenue over expenses	<u>(56,771)</u>	<u>-</u>	<u>(56,771)</u>	<u>(10,356)</u>
BALANCE, END OF YEAR	<u>\$ (3,420)</u>	<u>\$ 39,000</u>	<u>\$ 35,580</u>	<u>\$ 92,351</u>

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2023</u>	<u>2022</u>
REVENUE		
Foundations (Note 5)	\$ 66,598	\$ 61,232
Workshops and resources	44,663	49,984
Other grants (Note 6)	30,528	19,634
City of Toronto	30,316	29,166
Memberships, fundraising and donations	13,280	2,321
Interest and other revenue	2,865	430
Ontario Covid-19 business support	-	31,794
Canada Emergency Wage Subsidy	-	2,135
	<u>188,250</u>	<u>196,696</u>
EXPENSES		
Salaries and benefits	81,145	59,988
Workshops and resources	69,146	47,328
Program costs	58,174	63,467
Professional fees	13,098	9,827
Office and general	8,446	12,837
Occupancy costs	8,322	8,937
Insurance	3,419	3,471
Special projects	3,088	1,014
Membership	183	183
	<u>245,021</u>	<u>207,052</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (56,771)</u>	<u>\$ (10,356)</u>

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2023</u>	<u>2022</u>
CASH PROVIDED BY (USED FOR)		
Operating activities		
Deviciency revenue over expenses for year	\$ <u>(56,771)</u>	\$ <u>(10,356)</u>
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivable	5,268	(2,700)
(Increase) decrease in GST/HST receivable	853	(47)
(Increase) decrease in inventory	171	275
(Increase) decrease in prepaid expenses	(1,328)	(75)
Increase (decrease) in accounts payable and accruals	6,991	(2,235)
Increase (decrease) in source deductions payable	930	(1,034)
Increase (decrease) in CEBA loan	-	-
Increase (decrease) in deferred grants	(20,528)	(23,034)
Increase (decrease) in deferred revenue	<u>(2,700)</u>	<u>2,700</u>
Total cash from operating activities	<u>(10,343)</u>	<u>(26,150)</u>
(DECREASE) IN CASH FOR YEAR	(67,114)	(36,506)
Cash, beginning of year	<u>176,263</u>	<u>212,769</u>
CASH, END OF YEAR	<u>\$ 109,149</u>	<u>\$ 176,263</u>
 CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Cash	\$ 89,067	\$ 156,211
Short-term investment	<u>20,082</u>	<u>20,052</u>
	<u>\$ 109,149</u>	<u>\$ 176,263</u>

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023**

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, 2024.

4. DEFERRED GRANTS

Deferred grants are as follows:

	2023	2022
	\$	\$
Ontario Trillium Foundation - First Nations Project	3,260	23,788
City of Toronto - CSP	11,575	11,575
Wolinsky Foundation	-	-
	<u>14,835</u>	<u>35,363</u>

Continuity of deferred grants for the year is as follows:

Deferred grants - Beginning of Year	35,363	58,397
Add - Received/receivable during the year	11,575	12,675
Less - Grant revenue recognized in the year	<u>(32,103)</u>	<u>(35,709)</u>
Deferred grants - End of Year	<u>14,835</u>	<u>35,363</u>

5. FOUNDATIONS

Foundations are as follows:

	2023	2022
	\$	\$
Leonard Wolinsky Foundation	20,000	20,000
P.E.A.R.L. Foundation	20,000	20,000
Toronto Foundation - Shum Vourkoutiotis Fund	10,000	5,000
Etobicoke Brighter Futures	8,598	8,232
Tippet Foundation	7,000	7,000
CIBC Children's Foundation	1,000	-
Jackman Foundation	-	1,000
	<u>66,598</u>	<u>61,232</u>

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

6. OTHER GRANTS

Other grants are comprised as follows:

	2023	2022
	\$	\$
Ontario Trillium Foundation	20,528	4,134
Burgundy Asset Management Ltd.	10,000	10,000
TD Bank Group	-	5,000
Bull Wealth Management	-	500
	<u>30,528</u>	<u>19,634</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 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, 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.