

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

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**FINANCIAL STATEMENTS  
JUNE 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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

### *Qualified Opinion*

We 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, 2025 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 our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our 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, 2025, 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, we were 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, 2025 and 2024, current assets as at June 30, 2025 and 2024, and net assets as at July 1 and June 30 for both the 2025 and 2024 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Vermont Square Parent-Child Mother Goose Program 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

### *Other Matters*

The financial statements of Vermont Square Parent-Child Mother Goose Program for the year-ended June 30, 2024 were audited by another auditor who expressed a qualified opinion on those financial statements.

### *Auditor's Responsibility 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 judgement and maintain professional scepticism throughout the audit. We 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 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 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 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 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.

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.

*VMD Professional Corporation*

VMD PROFESSIONAL CORPORATION

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Toronto, Ontario

November 11, 2025

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

**2025**

**2024**

**ASSETS**

**CURRENT**

Cash	\$ 99,918	\$ 24,169
Accounts receivable	179	157
GST/HST receivable	4,057	1,708
Inventory	13,684	16,272
Prepaid expenses	-	2,267
	<u>117,839</u>	<u>44,573</u>

**LIABILITIES AND NET ASSETS**

**CURRENT**

Accounts payable and accrued liabilities	\$ 18,821	\$ 24,141
Source deductions payable	1,560	1,480
Deferred grants (Note 3)	60,900	-
<b>TOTAL LIABILITIES</b>	<u>81,281</u>	<u>25,621</u>

**NET ASSETS**

Unrestricted	<u>36,557</u>	<u>18,952</u>
	<u>\$ 117,839</u>	<u>\$ 44,573</u>

Commitments (Note 7)

Approved on behalf of the Board:

Mary Anquet Katwala

Director

Irving Cho Director

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

	<b>2025</b>	<b>2024</b>
<b>REVENUE</b>		
Foundations (Note 4)	\$ 85,598	\$ 69,311
Workshops and resources	62,662	45,153
City of Toronto	33,304	43,625
Other grants (Note 5)	7,500	8,760
Memberships, fundraising and donations	11,761	4,002
Interest and other revenue	338	1,611
Canada CEBA loan forgiveness	-	20,000
	<u>201,163</u>	<u>192,462</u>
<b>EXPENSES</b>		
Salaries and benefits	122,037	74,034
Workshops and resources	23,866	46,188
Professional fees	12,219	13,702
Occupancy costs	8,756	7,287
Office and general	6,653	7,036
Insurance	6,170	3,648
Program costs	3,683	56,383
Membership	174	812
	<u>183,557</u>	<u>209,090</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 17,605</u>	<u>\$ (16,628)</u>
<b>NET ASSETS, beginning of year</b>	<b>\$ 18,952</b>	<b>\$ 35,580</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>17,605</b>	<b>(16,628)</b>
<b>NET ASSETS, end of year</b>	<b><u>\$ 36,557</u></b>	<b><u>\$ 18,952</u></b>

See accompanying notes

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

	<b>2025</b>	<b>2024</b>
Increase (decrease) in cash		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 17,605	\$ (16,628)
Non-cash items:		
Forgiveness of CEBA loan	-	(20,000)
Net change in non-cash working capital:		
(Increase) decrease in accounts receivable	(22)	-
(Increase) decrease in GST/HST receivable	(2,349)	123
(Increase) decrease in inventory	2,588	470
(Increase) decrease in prepaid expenses	2,267	-
Increase (decrease) in accounts payable and accruals	(5,320)	6,693
Increase (decrease) in source deductions payable	80	(803)
Increase (decrease) in deferred grants & revenue	60,900	(14,835)
	<u>75,749</u>	<u>(44,980)</u>
<b>FINANCING ACTIVITIES</b>		
(Decrease) in CEBA loan	-	(60,000)
Redemption of Short term investment	-	20,000
	<u>-</u>	<u>(40,000)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	75,749	(84,980)
<b>CASH - BEGINNING OF YEAR</b>	<u>24,169</u>	<u>109,149</u>
<b>CASH - END OF YEAR</b>	<u>\$ 99,918</u>	<u>\$ 24,169</u>

See accompanying notes

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**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Significant standards and policies are outlined below.

**Financial Reporting Framework**

The Corporation, being a not-for-profit organization, chooses to establish their financial statements in accordance with Canadian accounting standards for not-for-profit organizations, issued by the Chartered Professional Accountants of Canada.

**Revenue Recognition**

The Corporation 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 are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured

**Use of Inventory**

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

**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.

**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.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and bank balances.

**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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.

**3. DEFERRED GRANTS**

Deferred grants are as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Ontario Trillium Foundation - Grow Grant	60,900	-
City of Toronto - CSP	<u>-</u>	<u>-</u>
	<u>60,900</u>	<u>-</u>

Continuity of deferred grants for the year is as follows:

Deferred grants - Beginning of Year	-	14,835
Add - Received/receivable during the year	60,900	-
Less - Grant revenue recognized in the year	<u>-</u>	<u>(14,835)</u>
Deferred grants - End of Year	<u>60,900.00</u>	<u>-</u>

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**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**4. FOUNDATIONS**

Foundations are as follows:

	<u>2025</u>	<u>2024</u>
George Lunan Foundation	-	20,000
Catherine & Maxwell Meighen Foundation	25,000	15,000
P.E.A.R.L. Foundation	20,000	-
The Rotary Club	15,000	-
Tippet Foundation	12,000	10,000
Etobicoke Brighter Futures	8,598	8,598
Toronto Foundation - Shum Vourkoutiotis Fund	5,000	5,000
Leonard Wolinsky Foundation	-	10,000
CIBC Children's Foundation	-	713
	<u>\$ 85,598</u>	<u>\$ 69,311</u>

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**5. OTHER GRANTS**

	<u>2025</u>	<u>2024</u>
TD Bank Group	\$ 7,500	\$ 5,000
Ontario Trillium Foundation	-	3,260
Bull Wealth Management	-	500
Burgundy Asset Management Ltd.	-	-
	<u>\$ 7,500</u>	<u>\$ 8,760</u>

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**6. THE OPERATING RESERVE FUND**

The Operating Reserve Fund is included within unrestricted net assets on the statement of financial position. 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. The board approved the transfer of \$Nil (2024 - \$39,000) from the operating reserve fund to the general fund to cover the current year deficit.

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**7. COMMITMENTS**

The Corporation entered into a three year office license agreement effective October 1, 2025, expiring September, 2028.

Future minimum payments under this agreement are as follows:

2026	\$	16,788
2027	\$	17,963
2028	\$	19,221

Total future minimum payments amount to approximately \$53,972 over the remaining term of the agreement.

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**VERMONT SQUARE PARENT-CHILD MOTHER GOOSE PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**8. FINANCIAL INSTRUMENTS**

The Corporation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Corporation's risk exposure at the balance sheet date.

**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.