

Nanny Angel Network Inc.
Financial Statements
Year ended December 31, 2023

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Year ended December 31, 2023

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Independent Auditors' Report

To the Board of Directors of
Nanny Angel Network Inc.

Opinion

We have audited the financial statements of Nanny Angel Network Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of Nanny Angel Network Inc. as at December 31, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 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 the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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 auditors' 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.

Independent Auditors' Report (Continued)

Auditors' Responsibilities for the Audit of the 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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.

Lipton LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 18, 2024

Nanny Angel Network Inc.
Statement of Financial Position
As at December 31, 2023

	2023	2022
Assets		
Current		
Cash	\$ 206,509	\$ 196,748
Short-term investments	1,872,837	1,778,929
Government remittances recoverable	81,808	53,432
Prepaid expenses and other assets	11,437	19,135
	2,172,591	2,048,244
Capital assets (Note 3)	14,036	9,377
	\$ 2,186,627	\$ 2,057,621
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6(a))	\$ 99,651	\$ 96,451
Government loan payable	-	40,000
	99,651	136,451
Commitment (Note 5(b))		
Net Assets		
Internally restricted net assets	300,000	300,000
Unrestricted net assets	1,786,976	1,621,170
	2,086,976	1,921,170
	\$ 2,186,627	\$ 2,057,621

See accompanying notes to the financial statements

Approved on behalf of the Board of Directors:


 Director


 Director

Nanny Angel Network Inc.
Statement of Operations
Year ended December 31, 2023

	2023	2022
Revenues		
Donations	\$ 907,353	\$ 709,134
Fundraising	97,526	94,163
Sponsorships	624,179	624,342
Investment income	102,895	22,881
Government subsidies (Note 7)	5,681	34,332
	1,737,634	1,484,852
Expenses		
Personnel costs - wages	625,880	591,644
Personnel costs - other	152,297	83,798
Contract services	59,882	192,979
Event expenses	204,596	225,503
Foreign exchange loss (gain)	1,996	(4,675)
General and administration	89,150	104,952
Marketing	63,481	56,925
Operations	243,152	312,904
Professional fees	52,937	46,330
Rent (Note 5(b))	74,845	74,837
Amortization	3,612	2,227
	1,571,828	1,687,424
Excess (deficiency) of revenues over expenses	\$ 165,806	\$ (202,572)

Nanny Angel Network Inc.
Statement of Changes in Net Assets
Year ended December 31, 2023

	Internally Restricted	Unrestricted	2023	2022
Net assets - beginning of year	\$ 300,000	\$ 1,621,170	\$ 1,921,170	\$ 2,123,742
Excess (deficiency) of revenues over expenses	-	165,806	165,806	(202,572)
Net assets - end of year	\$ 300,000	\$ 1,786,976	\$ 2,086,976	\$ 1,921,170

Nanny Angel Network Inc.
Statement of Cash Flows
Year ended December 31, 2023

	2023	2022
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 165,806	\$ (202,572)
Items not affecting cash:		
Amortization	3,612	2,227
Change in fair value of short-term investments	(42,629)	(22,881)
	126,789	(223,226)
Decrease in other receivables	-	3,500
Increase in government remittances recoverable	(28,376)	(25,646)
Decrease (increase) in prepaid expenses and other assets	7,698	(6,708)
Increase (decrease) in accounts payable and accrued liabilities	3,200	(14,448)
Decrease in deferred contributions	-	(45,000)
Cash flows provided by (used in) operating activities	109,311	(311,528)
Investing activities		
Purchase of short-term investments	(491,086)	(150,000)
Proceeds from sale of short-term investments	439,807	200,000
Purchase of capital assets	(8,271)	(6,529)
Cash flows provided by (used in) investing activities	(59,550)	43,471
Financing activity		
Repayment of government loan payable	(40,000)	-
Cash flows used in financing activity	(40,000)	-
Net change in cash	9,761	(268,057)
Cash - beginning of year	196,748	464,805
Cash - end of year	\$ 206,509	\$ 196,748

Nanny Angel Network Inc.
Notes to the Financial Statements
Year ended December 31, 2023

1. Purpose of the organization

Nanny Angel Network Inc. (the "Organization") operating as Nankind was incorporated under the Ontario Corporations Act without share capital on January 6, 2009 and subsequently registered as a charitable organization. As such, the Organization is exempt from income tax under Section 149(1) of the income Tax Act (Canada) and may issue receipts for charitable donations. The purpose of the Organization is to receive and maintain funds and apply all or part thereof and/or the income therefrom to fund program initiatives that the support the wellbeing of families with cancer and their children such as providing childcare services for children aged 16 and under in the province of Ontario.

2. Significant accounting policies

The financial statements of the Organization are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Management estimates

The preparation of these financial statements in conformity 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 and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made as appropriate in the year they become known. Significant management estimates include accrued liabilities.

(b) Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is recorded over the estimated useful lives of the assets using the declining balance method and the following rates:

Computer hardware	30%
Furniture and equipment	20%

(c) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related expenses are not yet incurred are reported on the statement of financial position as deferred contributions. Unrestricted contributions are recognized as revenue in the year received. Investment income is recognized in the year received or receivable.

Sponsorship revenue for events is recognized as revenue once the event has been held.

The Organization receives contributions from the government of Canada in the form of employee wage subsidies, which are recognized as contributions provided that there is reasonable assurance that the Organization has complied, and will continue to comply, with all of the conditions applicable to the employee wage subsidies.

(d) Expenditures on internally generated intangible assets

Expenditures incurred on internally generated intangible assets are expensed as incurred.

Nanny Angel Network Inc.
Notes to the Financial Statements
Year ended December 31, 2023

2. Significant accounting policies (continued)

(e) Contributed goods and services

(i) Contributed goods

Contributed goods are recorded as revenue at their fair value with a corresponding expense being allocated to the respective program. The Organization only recognizes contributed goods when the fair value can be reasonably estimated and the goods would have otherwise been purchased in the normal course of operations. The Organization received gifts in kind during the year with a fair value of \$5,635 (2022 - \$650), which are included in donation revenue.

(ii) Contributed services

The Organization would not be able to carry out its programs without the services of volunteers who contribute a considerable number of hours. The nature and amount of contributed services are not recognized in the financial statements due to the difficulties in determining their fair value.

(f) Financial instruments

The Corporation initially measures its arm's length financial instruments at fair value and subsequently measures them at amortized cost except for short-term investments, which are subsequently measured at fair value. Changes in the fair value of investments are recognized in the excess (deficiency) of revenues over expenses in the period in which they occur. Related party financial instruments are initially measured at cost. The cost of a related party financial instrument is dependent on whether it has repayment terms, whether the consideration exchanged for the related party financial instrument has repayment terms and whether the transaction meets the criteria for recognition at the exchange amount. The Corporation subsequently measures all related party financial instruments using the cost method less any reduction for impairment.

Financial instruments subsequently measured at amortized cost include cash, accounts payable and accrued liabilities due to arms length parties and government loan payable. Financial instruments subsequently measured using the cost method include accounts payable and accrued liabilities due to related parties.

(g) Internally restricted funds

The Organization, through a resolution by the Board of Directors', maintains a reserve fund to be used for future expansions including the Kingston expansion and to anticipate economic declines. The Organization may not use these internally restricted funds without the approval of the Board of Directors.

(h) Foreign currency transactions

Monetary assets and liabilities dominated in a foreign currency are translated at the exchange rate in effect at the date of the statement of financial position. Non-monetary assets and liabilities are translated at historical exchange rates. Revenues and expenses, with the exception of amortization translated at historical exchange rates, are translated at the exchange rate in effect at the date the transaction occurred. Foreign exchange gains and losses are included in the statement of operations.

3. Capital assets

	Cost	Accumulated amortization	Net book value	
			2023	2022
Computer hardware	\$ 18,825	\$ 9,862	\$ 8,963	\$ 6,482
Furniture and equipment	8,944	3,871	5,073	2,895
	\$ 27,769	\$ 13,733	\$ 14,036	\$ 9,377

Nanny Angel Network Inc.
Notes to the Financial Statements
Year ended December 31, 2023

4. Deferred contributions

	2023	2022
Deferred contributions - beginning of year	\$ -	\$ 45,000
Restricted contributions received during year	28,181	-
Amount recognized as revenue during year	(28,181)	(45,000)
Deferred contributions - end of year	\$ -	\$ -

5. Related party transactions

- (a) During the year, the Organization reimbursed a company whose president is a Director of the Organization for shared administrative and janitorial expenses amounting to approximately \$7,350 (2022 - \$5,000). Of these amounts, approximately \$700 (2022 - \$500) is outstanding and included in accounts payable and accrued liabilities as at December 31, 2023.
- (b) During the year, the Organization paid property rent to a company whose president is the spouse of the chair of the Organization's Board of Directors amounting to approximately \$75,000 (2022 - \$75,000). The Organization has committed to pay rent of \$6,000 plus harmonized sales tax per month through December 31, 2024 for its Toronto location.

6. Financial instruments

The Organization is exposed to the following risks through its financial instruments:

(a) 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. The Organization is exposed to market risk on its short-term investments, which consist of investments in private mutual funds. Short-term investments are invested with a large financial institution and the performance of the investments are reviewed on a regular basis.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will be unable to meet its cash requirements or to fund its obligations as they become due. The Organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities. Amounts owing are generally repaid within 30 days; and as such, management does not believe its exposure to liquidity risk is significant.

(c) 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.

The following amounts denominated in United States dollars are included in the Organization's statement of financial position and therefore subject it to currency risk:

	2023 \$ US	2022 \$ US
Cash	\$ 45,337	\$ 21,100
Short-term investments	541	20,365
Accounts payable and accrued liabilities	1,163	5,962

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7. Government assistance

During the year, the Organization was granted \$Nil under the Canada Recovery Hiring Program ("CRHP") (2022 - \$26,068). The CRHP was a government subsidy available to eligible employers who met specific criteria. It was designed to support organizations by providing a subsidy proportional to the incremental remuneration paid during a qualifying period. The subsidy rate started at 50% and gradually decreased to 20%. This program was part of Canada's strategic response to the economic impact of the COVID-19 pandemic and was ended on May 7, 2022. The subsidies received from this program were recognized within government subsidies in the statement of operations. In addition, \$5,681 (2022 - \$8,264) has been received and recognized in the statement of operations during the year from the employment grant program.

8. Fundraising event

During the year, the Organization held a fundraising event at The Rec Room and a Blue Jays Game (2022 - The Toronto Zoo) to support program initiatives. The revenue and expenses of the fundraising event are as follows:

	2023	2022
Event revenue	\$ 721,705	\$ 722,650
Event expenses	204,596	225,503
Net proceeds	\$ 517,109	\$ 497,147