

Nanny Angel Network Inc.
Financial Statements
Year ended December 31, 2022

Independent Auditors' Report

To the Board of Directors of
Nanny Angel Network Inc.

Qualified 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, 2022, 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, except for the possible 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 Nanny Angel Network Inc. as at December 31, 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 not-for-profit organizations, the Organization derives revenue from cash donations, 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. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses, and cash flows provided by (used in) operating activities for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified 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.

Independent Auditors' Report (Continued)

Auditors' Responsibilities 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 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.

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 12, 2023

Nanny Angel Network Inc.
Statement of Financial Position
As at December 31, 2022

	2022	2021
Assets		
Current		
Cash	\$ 196,748	\$ 464,805
Short-term investments	1,778,929	1,806,048
Other receivables	-	3,500
Government remittances recoverable	53,432	27,786
Prepaid expenses and other assets	19,135	12,427
	2,048,244	2,314,566
Capital assets (Note 3)	9,377	5,075
	\$ 2,057,621	\$ 2,319,641
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5(a))	\$ 96,451	\$ 110,899
Deferred contributions (Note 4)	-	45,000
Government loan payable (Note 7)	40,000	-
	136,451	155,899
Government loan payable (Note 7)	-	40,000
	136,451	195,899
Commitment (Note 5(b))		
Net Assets		
Internally restricted net assets	300,000	300,000
Unrestricted net assets	1,621,170	1,823,742
	1,921,170	2,123,742
	\$ 2,057,621	\$ 2,319,641

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, 2022

	2022	2021
Revenues		
Donations	\$ 1,224,426	\$ 977,526
Fundraising	94,163	78,057
Sponsorships	109,050	495,967
Investment income	22,881	56,160
Government subsidies (Notes 7 and 8)	34,332	138,131
	1,484,852	1,745,841
Expenses		
Personnel costs - wages	591,644	541,133
Personnel costs - other	83,798	65,136
Contract services	192,979	273,104
Event expenses	225,503	217,684
Foreign exchange loss (gain)	(4,675)	563
General and administration	104,952	87,591
Marketing	60,675	56,965
Operations	309,154	220,311
Professional fees	46,330	44,275
Rent (Note 5(b))	74,837	76,874
Amortization	2,227	1,380
	1,687,424	1,585,016
Excess (deficiency) of revenues over expenses	\$ (202,572)	\$ 160,825

See accompanying notes to the financial statements

Nanny Angel Network Inc.
Statement of Changes in Net Assets
Year ended December 31, 2022

	Internally Restricted	Unrestricted	2022	2021
Net assets - beginning of year	\$ 300,000	\$ 1,823,742	\$ 2,123,742	\$ 1,962,917
Excess (deficiency) of revenues over expenses	-	(202,572)	(202,572)	160,825
Net assets - end of year	\$ 300,000	\$ 1,621,170	\$ 1,921,170	\$ 2,123,742

See accompanying notes to the financial statements

Nanny Angel Network Inc.**Statement of Cash Flows****Year ended December 31, 2022**

	2022	2021
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (202,572)	\$ 160,825
Items not affecting cash:		
Amortization	2,227	1,380
Change in fair value of short-term investments	(22,881)	(56,048)
	(223,226)	106,157
Decrease in other receivables	3,500	129,201
Decrease in wage subsidy receivable	-	12,296
Decrease (increase) in government remittances recoverable	(25,646)	5,147
Decrease (increase) in prepaid expenses and other assets	(6,708)	42,526
Increase (decrease) in accounts payable and accrued liabilities	(14,448)	37,717
Decrease in deferred contributions	(45,000)	(92,500)
Cash flows provided by (used in) operating activities	(211,528)	240,544
Investing activities		
Purchase of short-term investments	(150,000)	(1,750,000)
Proceeds from sale of short-term investments	200,000	1,500,000
Purchase of capital assets	(6,529)	(1,993)
Cash flows provided by (used in) investing activities	43,471	(251,993)
Financing activity		
Proceeds from government loan payable	-	10,000
Cash flows provided by financing activity	-	10,000
Net change in cash	(268,057)	(1,449)
Cash - beginning of year	464,805	466,254
Cash - end of year	\$ 196,748	\$ 464,805

See accompanying notes to the financial statements