

**Nanny Angel Network Inc.**  
**Financial Statements**  
**Year ended December 31, 2024**

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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, 2024, 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, 2024, 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, 2025

**Nanny Angel Network Inc.**  
**Statement of Financial Position**  
**As at December 31, 2024**

	2024	2023
<b>Assets</b>		
Current		
Cash	\$ 169,521	\$ 206,509
Short-term investments	2,358,078	1,872,837
Government remittances recoverable	37,218	81,808
Prepaid expenses and other assets	21,758	11,437
	2,586,575	2,172,591
Capital assets (Note 3)	23,222	14,036
	\$ 2,609,797	\$ 2,186,627
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 6(a))	\$ 73,266	\$ 99,651
Commitment (Note 5(b))		
<b>Net Assets</b>		
Internally restricted net assets	300,000	300,000
Unrestricted net assets	2,236,531	1,786,976
	2,536,531	2,086,976
	\$ 2,609,797	\$ 2,186,627

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, 2024**

	2024	2023
<b>Revenues</b>		
Donations (Note 2(f)(i))	\$ 1,095,491	\$ 907,353
Fundraising	121,481	97,526
Sponsorships	486,790	624,179
Investment income	254,390	102,895
Government subsidies	-	5,681
	<u>1,958,152</u>	<u>1,737,634</u>
<b>Expenses</b>		
Personnel costs - wages	522,531	625,880
Personnel costs - other	134,051	152,297
Contract services	123,615	59,882
Event expenses (Note 7)	120,217	102,298
Foreign exchange loss (gain)	(4,091)	1,996
General and administration	84,656	89,150
Marketing	51,118	63,481
Operations	333,069	345,450
Professional fees	62,724	52,937
Rent (Note 5(b))	74,837	74,845
Amortization	5,870	3,612
	<u>1,508,597</u>	<u>1,571,828</u>
<b>Excess of revenues over expenses</b>	<b>\$ 449,555</b>	<b>\$ 165,806</b>

**Nanny Angel Network Inc.**  
**Statement of Changes in Net Assets**  
**Year ended December 31, 2024**

	Internally Restricted	Unrestricted	2024	2023
<b>Net assets - beginning of year</b>	\$ 300,000	\$ 1,786,976	\$ 2,086,976	\$ 1,921,170
Excess of revenues over expenses	-	449,555	449,555	165,806
<b>Net assets - end of year</b>	<b>\$ 300,000</b>	<b>\$ 2,236,531</b>	<b>\$ 2,536,531</b>	<b>\$ 2,086,976</b>

**Nanny Angel Network Inc.**  
**Statement of Cash Flows**  
**Year ended December 31, 2024**

	2024	2023
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 449,555	\$ 165,806
Items not affecting cash:		
Amortization	5,870	3,612
Increase in fair value of short-term investments	(255,241)	(42,629)
	200,184	126,789
Decrease (increase) in government remittances recoverable	44,590	(28,376)
Decrease (increase) in prepaid expenses and other assets	(10,321)	7,698
Increase (decrease) in accounts payable and accrued liabilities	(26,385)	3,200
Cash flows provided by operating activities	208,068	109,311
<b>Investing activities</b>		
Purchase of short-term investments	(230,000)	(491,086)
Proceeds from sale of short-term investments	-	439,807
Purchase of capital assets	(15,056)	(8,271)
Cash flows used in investing activities	(245,056)	(59,550)
<b>Financing activity</b>		
Repayment of government loan payable	-	(40,000)
Cash flows used in financing activity	-	(40,000)
Net change in cash	(36,988)	9,761
Cash - beginning of year	206,509	196,748
<b>Cash - end of year</b>	<b>\$ 169,521</b>	<b>\$ 206,509</b>



## **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 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%

Leasehold improvements are depreciated over the terms of the lease.

### **(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.

### **(d) Expenditures on internally generated intangible assets**

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

### **(e) Allocation of expenses**

The Organization allocates certain expenses among its functional categories when a reasonable basis for allocation exists. Expenses related to fundraising events that also support broader organizational objectives, such as community engagement and program awareness, are allocated in part to operational expenses. Allocations are based on management's assessment of the nature and intent of the activities and are applied consistently to similar transactions.

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**2. Significant accounting policies (continued)**

(f) 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 \$10,579 (2023 - \$5,635), 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.

(g) 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 short-term 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, and accounts payable and accrued liabilities due to arms length parties. Financial instruments subsequently measured using the cost method include accounts payable and accrued liabilities due to related parties.

(h) Internally restricted funds

The Organization, through a resolution by the Board of Directors<sup>1</sup>, 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.

(i) 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	
			2024	2023
Computer hardware	\$ 18,826	\$ 12,551	\$ 6,275	\$ 8,963
Furniture and equipment	14,100	5,402	8,698	5,073
Leasehold improvements	9,899	1,650	8,249	-
	\$ 42,825	\$ 19,603	\$ 23,222	\$ 14,036

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**4. Deferred contributions**

	2024	2023
Deferred contributions - beginning of year	\$ -	\$ -
Restricted contributions received during year	-	28,181
Amount recognized as revenue during year	-	(28,181)
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 \$5,400 (2023 - \$7,350).
- (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 (2023 - \$75,000). The Organization has committed to pay rent of \$6,000 plus harmonized sales tax per month through December 31, 2025 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:

	2024	2023
	\$ US	\$ US
Cash	\$ 31,781	\$ 45,337
Short-term investments	5,749	541
Accounts payable and accrued liabilities	-	1,163

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**7. Fundraising event**

During the year, the Organization held a fundraising event at Rebel Total (2023 - The Rec Room and a Blue Jays Game) to support program initiatives. Such event revenue is included in donations, fundraising and sponsorship revenue in the statement of operations. The revenue and expenses of the fundraising event are as follows:

	2024	2023
Event revenue	\$ 640,133	\$ 721,705
Event expenses	120,217	102,298
Net proceeds	\$ 519,916	\$ 619,407

Fundraising expenses reported in the statement of operations of \$120,217 (2023 – \$102,298) are reported after an allocation of a portion of event costs to operational expenses. This allocation reflects the dual purpose of the events, which supports both fundraising efforts and broader organizational objectives such as program awareness and community engagement.

Expenses of \$119,888 (2023 – \$102,298) were allocated from the fundraising function to the programs (operational) function. The allocation was based on management's assessment of the content, objectives, and audience of the event activities, and was determined using a 50/50 split of total gala-related expenditures between fundraising and program support. The allocation was determined based on the nature and intent of the event activities and is applied on a consistent basis.

**8. Comparative figures**

Certain figures in the 2023 financial statements have been reclassified to conform with the basis of presentation used in 2024.