

MAYBELL DEVELOPMENTS INC.
UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Brian N. Humble
Chartered Professional Accountant
(Prof Corp.)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Maybell Developments Inc.

I have reviewed the accompanying financial statements of Maybell Developments Inc. that comprise the statement of financial position as at December 31, 2019, and the statements of operations and members' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

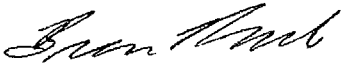
Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Maybell Developments Inc. as at December 31, 2019, 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.

Emphasis of Matter-Comparative Information

Without modifying my Review Engagement Report, I draw attention to Note 2 to the financial statements which describes that Maybell Developments Inc. adopted Canadian accounting standards for not for profit organizations on January 1, 2019 with a transition date of January 1, 2018. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheet as at December 31, 2018 and January 1, 2018 and the statements of operations and members equity and cash flows for the year ended December 31, 2018 and related disclosures. I was not engaged to review the restated comparative information, and as such, it is unaudited.

Regina, Saskatchewan
March 13, 2020


Brian N. Humble CPA, CA, CMA
Chartered Professional Accountant

MAYBELL DEVELOPMENTS INC.

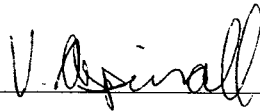
(Incorporated under the Non-Profit Corporations Act of Saskatchewan)

STATEMENT OF FINANCIAL POSITION

December 31, 2019

	<u>December 31, 2019</u>			<u>December 31, 2018</u>			<u>Jan 1, 2018</u>
	<u>Operating Fund</u>	<u>AGA Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>AGA Fund</u>	<u>Total</u>	<u>Operating Fund</u>
	\$	\$	\$	\$	\$	\$	\$
ASSETS							
Current:							
Cash	19,245	62,009	81,254	9,557	10,000	19,557	1,432
Savings – Match Program	1,500	-	1,500	1,750	-	1,750	-
Total current assets	20,745	62,009	82,754	11,307	10,000	21,307	1,432
	20,745	62,009	82,754	11,307	10,000	21,307	1,432
LIABILITIES							
Current:							
Accounts payable	173	-	173	-	-	-	-
Total current liabilities	173	-	173	-	-	-	-
MEMBERS' EQUITY							
Unrestricted	20,572	-	20,572	11,307	-	11,307	1,432
Restricted	-	62,009	62,009	-	10,000	10,000	-
Total members' equity	20,572	62,009	82,581	11,307	10,000	21,307	1,432
	20,745	62,009	82,754	11,307	10,000	21,307	1,432

On behalf of the board



Director

Director

(See accompanying notes)

Prepared without audit

MAYBELL DEVELOPMENTS INC.

STATEMENT OF OPERATIONS AND MEMBERS' EQUITY

Year ended December 31, 2019

	2019			2018		
	Operating Fund	AGA Fund	Total	Operating Fund	AGA Fund	Total
	\$	\$	\$	\$	\$	\$
Revenue:						
AGA donations		53,988	53,988		10,000	10,000
Maybell administrative donations	5,000		5,000	2,500		2,500
Donations	7,462		7,462	10,722		10,722
Fundraising	2,505		2,505	863		863
	<u>14,967</u>	<u>53,988</u>	<u>68,955</u>	<u>14,085</u>	<u>10,000</u>	<u>24,085</u>
Expenses:						
Bank charges and interest	11	1	12	171		171
Events (fundraising)	3,451		3,451	1,504		1,504
Food		391	391	-		-
Insurance	562		562	546		546
Office expense	605		605	331		331
Savings Match program	250		250	250		250
School fees		892	892	-		-
Staff salaries		593	593	-		-
Supplies	538	-	538	1,217		1,217
Support payment		88	88	-		-
Transportation		14	14	-		-
Communications	285		285	191		191
	<u>5,702</u>	<u>1,979</u>	<u>7,681</u>	<u>4,210</u>	<u>-</u>	<u>4,210</u>
Excess revenue over expenses	9,265	52,009	61,274	9,875	10,000	19,875
Members' equity, beginning of year	11,307	10,000	21,307	1,432	-	1,432
Members' equity, end of year	<u>20,572</u>	<u>62,009</u>	<u>82,581</u>	<u>11,307</u>	<u>10,000</u>	<u>21,307</u>

*(See accompanying notes)
Prepared without audit*

MAYBELL DEVELOPMENTS INC.

STATEMENT OF CASH FLOWS

Year ended December 31, 2019

	2019			2018		
	Operating Fund	AGA Fund	Total	Operating Fund	AGA Fund	Total
	\$	\$	\$	\$	\$	\$
Cash provided by (used in) operations:						
Excess revenue over expenses	9,265	52,009	61,274	9,875	10,000	19,875
Increase in accounts payable	173		173	-	-	-
Cash provided by (used in) operations	9,438	52,009	61,447	9,875	10,000	19,875
Cash resources beginning of year	11,307	10,000	21,307	1,432	-	1,432
Cash resources end of year	20,745	62,009	82,754	11,307	10,000	21,307

(See accompanying notes)
Prepared without audit

MAYBELL DEVELOPMENTS INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. Description of Operations

Maybell Developments Inc. is a non-profit and registered charitable corporation with the following objectives:

- To relieve poverty by providing residential accommodations at below market rates, support, and incidental facilities to individuals or families who are impoverished;
- To relieve poverty and advance education by providing programs on life-skills training and goal setting;
- To advance religion through the provision of Christian faith-based mentorship programs;
- To relieve poverty through the provision of Individual Development Accounts to impoverished individuals, which assist recipients with business start-up costs, transportation expenses, and housing; and
- To conduct activities that are ancillary and incidental to the attainment of the above mentioned purposes.

2. Impact in the Change in the Basis of Accounting

Canadian Accounting Standards for Not for Profit Organizations

The corporation has elected to apply the standards in Part III of the Canadian Institute of Chartered Professional Accountants ("CPA Canada") Accounting Handbook in accordance with Canadian accounting standards for not for profit organizations.

These financial statements are the first financial statements for which the corporation has applied Canadian accounting standards for not for profit organizations.

The financial statements for the year ended December 31, 2019 were prepared in accordance with the accounting principles and provisions set out in the CPA Canada Handbook Section 1501 "First-time Adoption".

The adoption of these new recommendations had no material impact on the corporation's financial statements other than changes in disclosures.

Prepared without audit

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

3. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with Canadian standards for Not for Profit Organizations and include the following significant accounting policies:

Revenue Recognition

Contributions and donations are recorded as revenue in the year received. In-kind donations of goods and services the organization would otherwise purchase are recorded at the fair value of goods or services provided.

Financial Instruments

The corporation initially records a financial instrument at its fair value except for a related party transaction which is recorded at the carrying or exchange amount depending on the circumstances.

The corporation recognizes its transaction costs in net earnings in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Subsequently, the corporation measures financial assets at amortized cost and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and savings account. Financial liabilities measured at amortized cost include accounts payable.

At each balance sheet date, the corporation assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there is an indication of impairment, the corporation determines if a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the asset. If there is a significant adverse change, then the corporation reduces the carrying amount of the asset accordingly.

A previously recognized impairment loss is reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Prepared without audit

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

3. Summary of Significant Accounting Policies *(continued)*

Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not for profit corporations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates.

Income Taxes

The corporation is exempt from income taxes under Section 149(1)(l) of the *Income Tax Act*.

Fund Accounting

Maybell Developments Inc. follows the restricted fund method of accounting for contributions.

The General Fund accounts for the corporation's program delivery and administrative activities. This fund reports unrestricted resources and any restricted operating contributions.

The AGA Fund reports activities related to the corporation's Amazing Grace Initiative and contributions specifically provided for this purpose.

Foreign Currency Transactions

The enterprise uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current year's income statement are translated at average year rates. Exchange gains and losses are included in earnings for the year.

Prepared without audit

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

4. Financial Instruments

Risk and Uncertainties

The corporation is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the corporation's risk management process are to ensure that risks are properly identified and the capital base is adequate in relation to these risks. The principal financial risks to which the corporation is exposed are described as follows:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The corporation is exposed to this risk mainly in respect of its accounts payable.

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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The enterprise is mainly exposed to currency risk.

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. Some of the corporation's assets are exposed to foreign exchange fluctuations as the corporation has foreign currency balances at the year end. As at December 31, 2019, U.S. cash balances of \$1,537 (\$Nil – 2018) are converted into Canadian dollars.