

MAYBELL DEVELOPMENTS INC.
Financial Statements
Year Ended December 31, 2022

MAYBELL DEVELOPMENTS INC.
Index to Financial Statements
Year Ended December 31, 2022

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10



DUDLEY & COMPANY LLP

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of MayBell Developments Inc.

Opinion

We have audited the financial statements of MayBell Developments Inc. (the organization), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenses, 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 the organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with 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.

Other Matter

The comparative financial statements were not audited. They were subject to a review engagement with a report date of March 21, 2022.

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 ASNPO, 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.

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Auditor's 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 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 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 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 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.

Regina, Saskatchewan
February 13, 2023



Dudley & Company LLP
Chartered Professional Accountants

MAYBELL DEVELOPMENTS INC.

Statement of Financial Position

December 31, 2022

	General Fund 2022	AGA Fund 2022	Lilium Village Childcare 2022	Total 2022	General Fund 2021	AGA Fund 2021	Lilium Village Childcare 2021	Total 2021
ASSETS								
CURRENT								
Cash (Note 3)	\$ 316,411	\$ 42,038	\$ 270,307	\$ 628,756	\$ 46,883	\$ 76,418	\$ -	\$ 123,301
Prepaid expenses	330	-	-	330	5,000	-	-	5,000
Security deposit	5,000	-	-	5,000	5,000	-	-	5,000
	321,741	42,038	270,307	634,086	56,883	76,418	-	133,301
CAPITAL ASSETS (Note 4)	17,891	-	179,656	197,547	-	-	-	-
	\$ 339,632	\$ 42,038	\$ 449,963	\$ 831,633	\$ 56,883	\$ 76,418	\$ -	\$ 133,301
LIABILITIES								
CURRENT								
Accounts payable	\$ 2,244	\$ -	\$ -	\$ 2,244	\$ 705	\$ -	\$ -	\$ 705
NET ASSETS								
Unrestricted fund	337,388	-	-	337,388	56,178	-	-	56,178
Restricted funds	-	42,038	449,963	492,001	-	76,418	-	76,418
	337,388	42,038	449,963	829,389	56,178	76,418	-	132,596
	\$ 339,632	\$ 42,038	\$ 449,963	\$ 831,633	\$ 56,883	\$ 76,418	\$ -	\$ 133,301

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

MAYBELL DEVELOPMENTS INC.
Statement of Revenues and Expenses
Year Ended December 31, 2022

	General Fund 2022	AGA Fund 2022	Lilium Village Childcare 2022	Total 2022	General Fund 2021	AGA Fund 2021	Lilium Village Childcare 2021	Total 2021
REVENUES								
AGA donations	\$ -	\$ 52,290		\$ 52,290	\$ -	\$ 92,553	\$ -	\$ 92,553
Administrative donations	6,215	-	-	6,215	5,319	-	-	5,319
Other donations	321,194	-	-	321,194	70,311	-	-	70,311
Government grants	-	-	450,150	450,150	-	-	-	-
Other grants	50,141	-	-	50,141	-	-	-	-
Fundraising	-	-	-	-	810	-	-	810
Facility rent	-	-	-	-	800	-	-	800
	377,550	52,290	450,150	879,990	77,240	92,553	-	169,793
EXPENSES								
Fundraising expenses	-	-	-	-	2,663	-	-	2,663
Advertising	10,576	-	-	10,576	1,427	-	-	1,427
Amortization	842	-	-	842	-	-	-	-
Food	-	5,104	-	5,104	-	3,933	-	3,933
Insurance	705	-	-	705	641	-	-	641
Interest and bank charges	382	295	-	677	209	301	-	510
Lease	59,581	-	-	59,581	39,721	-	-	39,721
Membership and licenses	5,000	-	-	5,000	-	-	-	-
Office	1,815	-	187	2,002	666	-	-	666
Professional fees	3,995	-	-	3,995	5,440	-	-	5,440
Salaries and wages	10,497	-	-	10,497	-	-	-	-
School fees	-	12,074	-	12,074	-	7,206	-	7,206
Special projects	-	48,727	-	48,727	-	5,069	-	5,069
Staff salaries	-	15,951	-	15,951	-	8,586	-	8,586
Supplies	1,331	-	-	1,331	1,035	-	-	1,035
Support payment	-	4,269	-	4,269	-	987	-	987
Telephone	188	-	-	188	191	-	-	191
Training	1,428	-	-	1,428	-	-	-	-
Transportation	-	250	-	250	-	221	-	221
	96,340	86,670	187	183,197	51,993	26,303	-	78,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 281,210	\$ (34,380)	\$ 449,963	\$ 696,793	\$ 25,247	\$ 66,250	\$ -	\$ 91,497

See notes to financial statements

MAYBELL DEVELOPMENTS INC.
Statement of Changes in Net Assets
Year Ended December 31, 2022

	General Fund 2022	AGA Fund 2022	Lilium Village Childcare 2022	Total 2022	General Fund 2021	AGA Fund 2021	Lilium Village Childcare 2021	Total 2021
NET ASSETS - BEGINNING OF YEAR	\$ 56,178	\$ 76,418		\$ 132,596	\$ 30,931	\$ 10,168	\$ -	\$ 41,099
Excess (Deficiency) of revenues over expenses	281,210	(34,380)	449,963	696,793	25,247	66,250	-	91,497
NET ASSETS - END OF YEAR	\$ 337,388	\$ 42,038	\$ 449,963	\$ 829,389	\$ 56,178	\$ 76,418	\$ -	\$ 132,596

See notes to financial statements

MAYBELL DEVELOPMENTS INC.
Statement of Cash Flows
Year Ended December 31, 2022

	General Fund 2022	AGA Fund 2022	Lilium Village Childcare 2022	Total 2022	General Fund 2021	AGA Fund 2021	Lilium Village Childcare 2021	Total 2021
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES								
Cash receipts from customers	\$ 377,550	\$ 52,290	\$ 450,150	\$ 879,990	\$ 77,240	\$ 92,553	\$ -	\$ 169,793
Cash paid to suppliers and employees	(89,288)	(86,670)	(187)	(176,145)	(64,331)	(26,303)	-	(90,634)
Cash Flows From (For) Operating Activities	288,262	(34,380)	449,963	703,845	12,909	66,250	-	79,159
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES								
Purchase of capital assets	(18,734)	-	(179,656)	(198,390)	-	-	-	-
INCREASE (DECREASE) IN CASH FLOWS	269,528	(34,380)	270,307	505,455	12,909	66,250	-	79,159
Cash - beginning of year	46,883	76,418	-	123,301	33,974	10,168	-	44,142
CASH - END OF YEAR (Note 3)	\$ 316,411	\$ 42,038	\$ 270,307	\$ 628,756	\$ 46,883	\$ 76,418	\$ -	\$ 123,301

See notes to financial statements

MAYBELL DEVELOPMENTS INC.
Notes to Financial Statements
Year Ended December 31, 2022

1. PURPOSE OF THE ORGANIZATION

MayBell Developments (the "Organization") is a not-for-profit organization incorporated provincially under The Non-profit Corporations Act of Saskatchewan. As a registered charity the Organization is exempt from the payment of income tax under section 149(1) of the Income Tax Act.

The organization's objectives are as follows:

- 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.
- To advance education by providing scholarships to students from schools located in the city of Phnom Penh, Cambodia, to be used for post-secondary education.
- To provide affordable childcare services through the Liliun Village Childcare.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash includes chequing and savings accounts.

Capital assets

During the year, the organization has adopted the capitalization policy in accounting for its capital assets. There have been no capital assets purchases in the past; therefore, no restatement is necessary for the comparative financial statements.

Capital assets are recorded at cost and amortized using the following rates and methods:

Furniture and Equipment	20%	declining balance method
Computer equipment and software	30%	declining balance method
Leasehold improvements	25 years	straight-line method

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MAYBELL DEVELOPMENTS INC.
Notes to Financial Statements
Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Grants and donations received under the AGA Fund and Liliium Childcare Fund are recorded using the restricted fund method of accounting for contributions. They are recorded as revenue in the year received.

Grants and donations received for general purposes are recorded using the deferral method of accounting in the General Fund.

In-kind donations of goods and services the organization would otherwise purchase are recorded at the fair value of goods and services provided.

Fund accounting

The organization follows the restricted fund method of accounting for contributions.

The Operating Fund provides for the organization's program delivery and administrative activities. This fund reports unrestricted resources and any restricted operating contributions.

The AGA Fund provides for the activities related to the organization's Amazing Grace Initiative and contributions specifically for this purpose.

The Liliium Village Childcare fund provides for the activities related to the organization's childcare and contributions specifically for this purpose.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation. The prior year amounts were unaudited.

3. CASH

	2022	2021
General chequing	\$ 315,161	\$ 45,383
Savings account - Matching program	1,250	1,500
AGA accounts	42,038	76,418
Liliium Village Childcare account	270,307	-
	\$ 628,756	\$ 123,301

MAYBELL DEVELOPMENTS INC.
Notes to Financial Statements
Year Ended December 31, 2022

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
General Fund	\$ -	\$ -	\$ -	\$ -
Furniture and Equipment	9,541	795	8,746	-
Computer equipment / software	1,103	47	1,056	-
Assets under construction	8,089	-	8,089	-
	<u>18,733</u>	<u>842</u>	<u>17,891</u>	<u>-</u>
Lilium Village Childcare	-	-	-	-
Furniture and Equipment	67,773	-	67,773	-
Assets under construction	111,883	-	111,883	-
	<u>179,656</u>	<u>-</u>	<u>179,656</u>	<u>-</u>
	<u>\$ 198,389</u>	<u>\$ 842</u>	<u>\$ 197,547</u>	<u>\$ -</u>

5. FAIR VALUE

It is management's opinion that the fair value of the financial assets and liabilities approximates their carrying value due to their short term nature.

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities. The organization manages the risk by establishing a budget and paying accounts payable promptly.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash held in U.S. dollars. The organization does not use derivative instruments to reduce its exposure to foreign currency risk.

Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant other prices risk arising from these financial instruments.

MAYBELL DEVELOPMENTS INC.
Notes to Financial Statements
Year Ended December 31, 2022

7. COVID-19 PANDEMIC

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to businesses and has resulted in an economic shutdown. The organization continues to assess and monitor the impact of COVID-19 on its financial condition. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the organization's financial position and operations.

8. COMMITMENTS

As at December 31, 2022, the organization has commitments of \$4,965 monthly for the rental of a space within the building of the Trinity Lutheran Church under a one year lease agreement, which expires December 31, 2047.

9. SIGNIFICANT EVENTS

During the year, the organization has signed the Housing Incentives Policy Capital Contributions Agreement with the City of Regina wherein the organization will receive \$300,000 (\$25,000 per unit) in capital funding for the development of 12, three and more bedroom duplexes which will be called the Liliium Village. The development of the duplexes is expected to begin in 2023.