

MAYBELL DEVELOPMENTS INC.
Financial Statements
Year Ended December 31, 2023

MAYBELL DEVELOPMENTS INC.
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Year Ended December 31, 2023

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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, 2023, 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, 2023, 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.

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

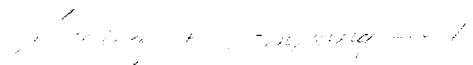
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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
March 3, 2024



Dudley & Company LLP
Chartered Professional Accountants

MAYBELL DEVELOPMENTS INC.
Statement of Financial Position
December 31, 2023

	General Fund 2023	AGA Fund 2023	Lilium Village Childcare 2023	Lilium Village 2023	Total 2023	Total 2022
ASSETS						
CURRENT						
Cash (Note 3)	\$ 127,793	\$ 26,435	\$ 140,196	\$ -	\$ 294,424	\$ 628,756
Accounts receivable	12,428	-	10,912	-	23,340	-
Prepaid expenses	858	-	907	-	1,765	330
	141,079	26,435	152,015	-	319,529	629,086
CAPITAL ASSETS (Net of accumulated amortization) (Note 4)	6,770	-	649,870	35,288	691,928	197,547
SECURITY DEPOSIT	22,500	-	-	-	22,500	5,000
	\$ 170,349	\$ 26,435	\$ 801,885	\$ 35,288	\$ 1,033,957	\$ 831,633
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable	\$ 10,020	\$ -	\$ -	\$ -	\$ 10,020	\$ 2,244
Wages payable	2,049	-	19,120	-	21,169	-
Deferred revenue	-	-	81,709	-	81,709	-
	12,069	-	100,829	-	112,898	2,244
NET ASSETS	158,280	26,435	701,056	35,288	921,059	829,389
	\$ 170,349	\$ 26,435	\$ 801,885	\$ 35,288	\$ 1,033,957	\$ 831,633

ON BEHALF OF THE BOARD



Director

Mathew Stockan

Director

MAYBELL DEVELOPMENTS INC.
Statement of Revenues and Expenses
Year Ended December 31, 2023

	General Fund 2023	AGA Fund 2023	Lilium Village Childcare 2023	Lilium Village 2023	Total 2023	Total 2022
REVENUES						
Childcare parent fees	\$ -	\$ -	\$ 79,170	\$ -	\$ 79,170	\$ -
Donations	71,543	91,200	2,325	-	165,068	379,699
Fundraising	2,757	-	440	-	3,197	-
Government grants	-	-	627,820	-	627,820	450,150
Other grants	10,000	-	-	-	10,000	50,141
Other income	4,846	-	-	-	4,846	-
	<u>89,146</u>	<u>91,200</u>	<u>709,755</u>	<u>-</u>	<u>890,101</u>	<u>879,990</u>
EXPENSES						
Advertising	17,987	-	1,817	-	19,804	10,576
Amortization	1,692	-	24,142	-	25,834	842
Food and groceries	66	8,923	15,267	-	24,256	5,104
Fundraising expenses	2,179	-	-	-	2,179	-
Insurance	2,672	-	3,018	-	5,690	705
Interest and bank charges	827	257	1,574	-	2,658	677
Membership and licenses	-	-	-	-	-	5,000
Office	5,111	-	6,363	-	11,474	2,002
Payroll	62,319	15,475	426,646	-	504,440	26,448
Professional fees	9,578	-	4,745	-	14,323	3,995
Rental	27,742	-	35,749	-	63,491	59,581
Repairs and maintenance	711	-	2,465	-	3,176	-
School fees	-	74,301	-	-	74,301	12,074
Special projects	-	-	-	-	-	48,727
Support payment	-	5,859	-	-	5,859	4,269
Supplies	2,098	1,593	17,952	-	21,643	1,331
Training	181	-	6,291	-	6,472	1,428
Travel	106	265	418	-	789	250
Utilities	4,366	-	7,676	-	12,042	188
	<u>137,635</u>	<u>106,673</u>	<u>554,123</u>	<u>-</u>	<u>798,431</u>	<u>183,197</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (48,489)	\$ (15,473)	\$ 155,632	\$ -	\$ 91,670	\$ 696,793

MAYBELL DEVELOPMENTS INC.
Statement of Changes in Net Assets
Year Ended December 31, 2023

	General Fund 2023	AGA Fund 2023	Lilium Village Childcare 2023	Lilium Village 2023	Total 2023	Total 2022
NET ASSETS - BEGINNING OF YEAR						
Excess of revenues over expenses	\$ 337,388	\$ 42,038	\$ 449,963	\$ -	\$ 829,389	\$ 132,596
Transfers	(48,489)	(15,473)	155,632	-	91,670	696,793
	(130,619)	(130)	95,461	35,288	-	-
NET ASSETS - END OF YEAR	\$ 158,280	\$ 26,435	\$ 701,056	\$ 35,288	\$ 921,059	\$ 829,389

MAYBELL DEVELOPMENTS INC.
Statement of Cash Flows
Year Ended December 31, 2023

	General Fund 2023	AGA Fund 2023	Lilium Village Childcare 2023	Lilium Village 2023	Total 2023	2022 2022
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers, grantors, and others	\$ 89,146	\$ 91,200	\$ 780,552	\$ -	\$ 960,898	\$ 879,990
Cash paid to suppliers and employees	(155,106)	(106,803)	(511,768)	-	(773,677)	(176,145)
Cash Flows From (For) Operating Activites	(65,960)	(15,603)	268,784	-	187,221	703,845
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of capital assets	(122,658)	-	(398,895)	-	(521,553)	(198,390)
INCREASE (DECREASE) IN CASH FLOWS	(188,618)	(15,603)	(130,111)	-	(334,332)	505,455
Cash - beginning of year	316,411	42,038	270,307	-	628,756	123,301
CASH - END OF YEAR (Note 3)	\$ 127,793	\$ 26,435	\$ 140,196	\$ -	\$ 294,424	\$ 628,756

MAYBELL DEVELOPMENTS INC.

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

MayBell Developments Inc. (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 Subsection 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;
- 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; and
- 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 (ASNPO).

Cash and cash equivalents

Cash includes chequing and savings accounts.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Furniture and Equipment	20%	declining balance method
Computer equipment / software	30%	declining balance method
Buildings	40 years	straight-line method
Leasehold improvements	25 years	straight-line method

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MAYBELL DEVELOPMENTS INC.
Notes to Financial Statements
Year Ended December 31, 2023

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

Fund accounting

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

The General 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.

The Liliium Village fund provides for the activities related to the organization's low-cost housing and contributions specifically for this purpose.

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 or receivable.

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.

Government grants received under Liliium Childcare Fund are recognized as revenue in the year in which the grants pertain to.

Parent childcare fees are recognized under Liliium Childcare Fund in the year in which the service is provided.

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.

MAYBELL DEVELOPMENTS INC.
Notes to Financial Statements
Year Ended December 31, 2023

3. CASH

	2023	2022
General chequing	\$ 124,543	\$ 315,161
Lilium Village Childcare	140,196	270,307
Savings account - match program	750	1,250
Term deposit	2,500	-
AGA accounts	26,435	42,038
	\$ 294,424	\$ 628,756

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and equipment	\$ 99,463	\$ 14,444	\$ 85,019	\$ 76,519
Computer equipment / software	2,656	607	2,049	1,056
Leasehold improvements	581,196	11,624	569,572	111,882
Buildings under construction	35,288	-	35,288	8,090
	\$ 718,603	\$ 26,675	\$ 691,928	\$ 197,547

5. RELATED PARTY TRANSACTIONS

During the year, the organization has entered into related party transactions, including among others, the following:

	2023
CENA Construction <i>(The company is owned and controlled by MayBell's co-founder and former board member. He is also a family member of one of the current board members.)</i>	
Construction of Childcare spaces (total including taxes)	\$ 471,236

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. 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.

MAYBELL DEVELOPMENTS INC.
Notes to Financial Statements
Year Ended December 31, 2023

7. 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, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from childcare customers. The organization has a significant number of customers which minimizes concentration of credit risk.

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 this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

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 organization is not exposed to significant other price risks arising from these financial instruments.

8. COMMITMENTS

As at December 31, 2023, the organization has commitments of \$4,965 monthly for the rental of a space within the building of the Trinity Lutheran Church under a 50-year lease agreement, which expires April 30, 2072.