**SCHOOLBOX INC.**

**FINANCIAL STATEMENTS**
**(Unaudited - See "Compilation Engagement Report")**

**DECEMBER 31, 2022**

Compilation Engagement Report
Balance Sheet
Statement of Operations and Changes in Net Assets
Notes to the Financial Statements

KELLY HUIBERS MCNEELY
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

## COMPILATION ENGAGEMENT REPORT

On the basis of information provided by management, we have compiled the balance sheet of SchoolBOX Inc. as at December 31, 2022, the statement of operations and changes in net assets for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS), *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information**.**

Readers are cautioned that the financial information may not be appropriate for their purposes.

Kelly Huibers McNeely
Professional Corporation

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

Carleton Place, Ontario
August 19, 2024

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**SCHOOLBOX INC.**

**BALANCE SHEET**
**(Unaudited - See "Compilation Engagement Report")**

**As at December 31, 2022**

| | 2022 | 2021 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS | | |
| Cash | $ 199,516 | $ 328,298 |
| Short-term investments | 168,206 | 110,267 |
| Accounts receivable | 6,361 | 7,794 |
| Inventory | - | 51,093 |
| Prepaid expense | 2,013 | 2,013 |
| | 376,096 | 499,465 |
| VEHICLE | - | 7,000 |
| | **$ 376,096** | **$ 506,465** |
| **LIABILITIES** | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | $ 13,155 | $ 79,915 |
| Government payables | 2,040 | 1,379 |
| Deferred contributions | 92,500 | 206,930 |
| | 107,695 | 288,224 |
| CEBA LOAN | 40,000 | 40,000 |
| | 147,695 | 328,224 |
| NET ASSETS | 228,401 | 178,241 |
| | **$ 376,096** | **$ 506,465** |

**SCHOOLBOX INC.**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**
**(Unaudited - See "Compilation Engagement Report")**

**For the year ended December 31, 2022**

| | 2022 | 2021 |
|---|---|---|
| REVENUE | | |
| Donations | $ 450,487 | $ 458,565 |
| Fundraising | 12,150 | - |
| Program service fees | 3,750 | - |
| Gain on sale of capital assets | 10,400 | - |
| Investment income | 374 | 106 |
| | 477,161 | 458,671 |
| OPERATING EXPENSES | | |
| Advertising and promotion | 2,006 | 2,290 |
| Amortization | - | 7,000 |
| Bank fees | 4,465 | 4,981 |
| Direct program expenses | 299,525 | 382,972 |
| Insurance | 4,617 | 3,990 |
| Office expenses | 15,763 | 6,830 |
| Professional fees | 24,000 | 22,080 |
| Salaries and wages | 70,303 | 22,307 |
| Less: wage subsidies | - | (12,836) |
| Strategic planning | 4,602 | - |
| Telephone | 993 | 1,533 |
| Travel | 727 | 331 |
| | 427,001 | 441,478 |
| NET REVENUE | 50,160 | 17,193 |
| NET ASSETS - BEGINNING OF YEAR | 178,241 | 161,048 |
| NET ASSETS - END OF YEAR | **$ 228,401** | **$ 178,241** |

**SCHOOLBOX INC.**

**NOTES TO THE FINANCIAL STATEMENTS**
**(Unaudited - See "Compilation Engagement Report")**

**December 31, 2022**

## 1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of SchoolBOX Inc. as at December 31, 2022 and the income statement for the year then ended is the historical cost basis and reflects cash transactions with selected accruals and accounting estimates including:

- The Organization follows the deferral method of accounting for revenue. Restricted contributions are deferred and recognized in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when they become receivable.

- Inventory is recorded at the lower of cost and net realizable value. The cost is determined on a weighted average basis.

- The vehicle is recorded at cost and amortized using the straight line method over 5 years.