COMPILED FINANCIAL INFORMATION DECEMBER 31, 2023



#### **Compilation Engagement Report**

To the Management of Woodchuck Flooring Incorporated:

On the basis of information provided by management, we have compiled the balance sheet of Woodchuck Flooring Incorporated as at December 31, 2023, the statement of income and retained earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("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) 4200, 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.

Toronto, Canada May 24, 2024 Chaplin & Burd, Chartered Professional Accountants, LLP Licensed Public Accountants

Chaplin & Boul

# **BALANCE SHEET DECEMBER 31, 2023**

Name		DECEMBER 31, 2023	2023	2022
Cash         \$ 535,161         \$ 76,141           Accounts receivable         -         5,383           HST receivable         -         19,142           Prepaid expenses         35,818         15,422           Note receivable         17,526         27,051           Income tax refund receivable         -         52,874           Inventory         560,490         699,000           1,148,995         895,033           PROPERTY AND EQUIPMENT           Computer equipment         110,846         110,846           Vehicles         220,567         322,987           384,102         483,546         483,546           Less: accumulated amortization         (242,347)         (273,903)           LIABILITIES AND SHAREHOLDERS' EQUITY         209,643         \$1,290,750         \$1,104,676           LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127         \$ 377,322           Unpaid remuneration         155,000         140,000           Due to Woodchuck Investments Inc.         165,712         2,169           CEBA loan payable         60,000         60,000           Current portion of lien notes payable         34,206         33,922		ASSETS		
Accounts receivable	CURRENT ASSETS			
HST receivable	Cash		\$ 535,161	\$ 76,141
Prepaid expenses         35,818         15,442           Note receivable         17,526         27,051           Income tax refund receivable         560,490         699,000           Inventory         560,490         699,000           1,148,995         895,033           PROPERTY AND EQUIPMENT           Computer equipment         52,689         49,713           Machinery and equipment         110,846         110,846           Vehicles         220,567         322,987           384,102         483,546         242,347)         (273,903)           Less: accumulated amortization         (242,347)         (273,903)         141,755         209,643           LIABILITIES AND SHAREHOLDERS' EQUITY           CURRENT LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127         \$ 377,322           Unpaid remuneration         155,000         140,000           Due to Woodchuck Investments Inc.         165,712         2,169           CEBA loan payable         60,000         60,000           CEBA loan payable         60,000         60,000           CEBA loan payable         63,584         -           Income tax payable         63,584 <td< td=""><td>Accounts receivable</td><td></td><td>-</td><td>5,383</td></td<>	Accounts receivable		-	5,383
Noie receivable         17,526         27,051           Income tax refund receivable         52,874           Inventory         560,490         699,000           1,148,995         895,033           PROPERTY AND EQUIPMENT           Computer equipment         52,689         49,713           Machinery and equipment         110,846         110,846           Vehicles         220,567         322,987           384,102         483,546         242,347)         (273,903)           Less: accumulated amortization         (242,347)         (273,903)         141,755         209,643           LIABILITIES AND SHAREHOLDERS' EQUITY           CURRENT LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127         \$ 377,322           Unpaid remuneration         155,000         140,000           Due to Woodchuck Investments Inc.         165,712         2,169           CEBA loan payable         60,000         60,000           Current portion of lien notes payable         34,206         33,922           Income tax payable         63,584         774,629         613,413           LONG-TERM DEBT           Lien notes payable         2         2         <	HST receivable		-	19,142
Income tax refund receivable			*	
Inventory			17,526	,
PROPERTY AND EQUIPMENT           Computer equipment         52,689         49,713           Machinery and equipment         110,846         110,846           Vehicles         220,567         322,987           384,102         483,546           Less: accumulated amortization         (242,347)         (273,903)           LIABILITIES AND SHAREHOLDERS' EQUITY         **           **CURRENT LIABILITIES**           Accounts payable and accrued liabilities         \$ 296,127         \$ 377,322           Unpaid remuneration         155,000         140,000           Due to Woodchuck Investments Inc.         165,712         2,169           CEBA loan payable         60,000         60,000           Current portion of lien notes payable         34,206         33,922           Income tax payable         63,584         -           LONG-TERM DEBT         -         774,629         613,413           LONG-TERM DEBT         -         124,678         158,883           SHAREHOLDERS' EQUITY         Share capital:         -         -           40 common shares         2         2           100 class B shares         10         10           1,800,000 class C shares         2 <t< td=""><td></td><td></td><td>-</td><td></td></t<>			-	
PROPERTY AND EQUIPMENT           Computer equipment         52,689         49,713           Machinery and equipment         110,846         110,846           Vehicles         220,567         322,987           384,102         483,546           Less: accumulated amortization         (242,347)         (273,903)           141,755         209,643           LIABILITIES AND SHAREHOLDERS' EQUITY           CURRENT LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127         \$ 377,322           Unpaid remuneration         155,000         140,000           Due to Woodchuck Investments Inc.         165,712         2,169           CEBA loan payable         60,000         60,000           Current portion of lien notes payable         33,222           Income tax payable         63,584         -           LONG-TERM DEBT         124,678         158,883           SHAREHOLDERS' EQUITY           Share capital:         40 common shares         2         2           40 common shares         2         2           10 class B shares         10         10           1,800,000 class C shares         2         2           2<	Inventory			
Computer equipment         52,689         49,713           Machinery and equipment         110,846         110,846           Vehicles         220,567         322,987           384,102         483,546           Less: accumulated amortization         (242,347)         (273,903)           141,755         209,643           LIABILITIES AND SHAREHOLDERS' EQUITY           CURRENT LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127         \$ 377,322           Unpaid remuneration         155,000         140,000           Due to Woodchuck Investments Inc.         165,712         2,169           CEBA loan payable         60,000         60,000           Current portion of lien notes payable         34,206         33,922           Income tax payable         63,584         -           LONG-TERM DEBT         124,678         158,883           SHAREHOLDERS' EQUITY           Share capital:         40 common shares         2         2           40 common shares         2         2           100 class B shares         10         10           1,800,000 class C shares         2         2           1,800,000 class C shares         391,42			1,148,995	895,033
Computer equipment         52,689         49,713           Machinery and equipment         110,846         110,846           Vehicles         220,567         322,987           384,102         483,546           Less: accumulated amortization         (242,347)         (273,903)           141,755         209,643           LIABILITIES AND SHAREHOLDERS' EQUITY           CURRENT LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127         \$ 377,322           Unpaid remuneration         155,000         140,000           Due to Woodchuck Investments Inc.         165,712         2,169           CEBA loan payable         60,000         60,000           Current portion of lien notes payable         34,206         33,922           Income tax payable         63,584         -           LONG-TERM DEBT         124,678         158,883           SHAREHOLDERS' EQUITY           Share capital:         40 common shares         2         2           40 common shares         2         2           100 class B shares         10         10           1,800,000 class C shares         2         2           1,80,429         332,366	PROPERTY AND EQUIPME	NT		
Machinery and equipment         110,846         110,846           Vehicles         220,567         322,987           384,102         483,546           Less: accumulated amortization         (242,347)         (273,903)           LIABILITIES         \$1,290,750         \$1,104,676           LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127         \$ 377,322           Unpaid remuneration         155,000         140,000           Due to Woodchuck Investments Inc.         165,712         2,169           CEBA loan payable         60,000         60,000           Current portion of lien notes payable         34,206         33,922           Income tax payable         63,584         -           LONG-TERM DEBT         124,678         158,883           SHAREHOLDERS' EQUITY           Share capital:         40 common shares         2         2           100 class B shares         10         10           1,800,000 class C shares         2         2           1,800,000 class C shares         391,429         332,366           391,443         332,380	_		52,689	49,713
Vehicles         220,567 384,102 483,546         322,987 483,546           Less: accumulated amortization         (242,347) (273,903) 141,755         (273,903) 209,643           LIABILITIES AND SHAREHOLDERS' EQUITY           CURRENT LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127 \$ 377,322         \$ 377,322           Unpaid remuneration         155,000 160,000         140,000           Due to Woodchuck Investments Inc.         165,712 60,000         2,169 60,000           CEBA loan payable         60,000 60,000         60,000           Current portion of lien notes payable         34,206 63,584 774,629         33,922           Income tax payable         63,584 774,629         -           Lien notes payable         124,678         158,883           SHAREHOLDERS' EQUITY           Share capital:           40 common shares         2         2           100 class B shares         10         10           1,800,000 class C shares         2         2           14         14           Retained earnings         391,429         332,366           391,443         332,380	1 1 1		110,846	110,846
Less: accumulated amortization         (242,347) (273,903) (141,755)         (273,903) (209,643)           L1ABILITIES AND SHAREHOLDERS' EQUITY           CURRENT LIABILITIES           Accounts payable and accrued liabilities         \$ 296,127 (377,322)         \$ 377,322           Unpaid remuneration         155,000 (140,000)         140,000           Due to Woodchuck Investments Inc.         165,712 (2,169)         2,169           CEBA loan payable         60,000 (60,000)         60,000           Current portion of lien notes payable         34,206 (33,922)         33,922           Income tax payable         63,584 (-774,629) (613,413)         -774,629 (613,413)           LONG-TERM DEBT         124,678 (158,883)         158,883           SHAREHOLDERS' EQUITY           Share capital:         40 common shares         2 (2)         2           40 common shares         2 (2)         2           100 class B shares         10 (10)         10           1,800,000 class C shares         2 (2)         2           14 (14)         14           Retained earnings         391,443 (332,380)	• • •		220,567	322,987
141,755   209,643			384,102	483,546
S1,290,750   \$1,104,676	Less: accumulated amortizat	ion	(242,347)	
LIABILITIES AND SHAREHOLDERS' EQUITY         CURRENT LIABILITIES         Accounts payable and accrued liabilities       \$ 296,127       \$ 377,322         Unpaid remuneration       155,000       140,000         Due to Woodchuck Investments Inc.       165,712       2,169         CEBA loan payable       60,000       60,000         Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         LONG-TERM DEBT       -       774,629       613,413         LONG-TERM DERS' EQUITY       Share capital:       40 common shares       2       2         40 common shares       2       2       2         100 class B shares       10       10       10         1,800,000 class C shares       2       2       2         Retained earnings       391,429       332,366         391,443       332,380			141,755	209,643
LIABILITIES AND SHAREHOLDERS' EQUITY         CURRENT LIABILITIES         Accounts payable and accrued liabilities       \$ 296,127       \$ 377,322         Unpaid remuneration       155,000       140,000         Due to Woodchuck Investments Inc.       165,712       2,169         CEBA loan payable       60,000       60,000         Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         LONG-TERM DEBT       -       774,629       613,413         LONG-TERM DERS' EQUITY       Share capital:       40 common shares       2       2         40 common shares       2       2       2         100 class B shares       10       10       10         1,800,000 class C shares       2       2       2         Retained earnings       391,429       332,366         391,443       332,380				
CURRENT LIABILITIES         Accounts payable and accrued liabilities       \$ 296,127       \$ 377,322         Unpaid remuneration       155,000       140,000         Due to Woodchuck Investments Inc.       165,712       2,169         CEBA loan payable       60,000       60,000         Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         T74,629       613,413         LONG-TERM DEBT       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380			<u>\$1,290,750</u>	<u>\$1,104,676</u>
CURRENT LIABILITIES         Accounts payable and accrued liabilities       \$ 296,127       \$ 377,322         Unpaid remuneration       155,000       140,000         Due to Woodchuck Investments Inc.       165,712       2,169         CEBA loan payable       60,000       60,000         Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         T74,629       613,413         LONG-TERM DEBT       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380	LIARILITIE	S AND SHADEHOI DEDS	9 FOUITY	
Accounts payable and accrued liabilities       \$ 296,127       \$ 377,322         Unpaid remuneration       155,000       140,000         Due to Woodchuck Investments Inc.       165,712       2,169         CEBA loan payable       60,000       60,000         Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         T74,629       613,413         LONG-TERM DEBT       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380		S AND SHAREHOLDERS	EQUITI	
Unpaid remuneration       155,000       140,000         Due to Woodchuck Investments Inc.       165,712       2,169         CEBA loan payable       60,000       60,000         Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         T74,629       613,413         LONG-TERM DEBT       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         40 common shares       2       2       2         100 class B shares       10       10       10         1,800,000 class C shares       2       2       2         Retained earnings       391,429       332,366         391,443       332,380		ed liabilities	\$ 296 127	\$ 377 322
Due to Woodchuck Investments Inc.       165,712       2,169         CEBA loan payable       60,000       60,000         Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         T74,629       613,413         LONG-TERM DEBT       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380	- ·	a naomites	,	
CEBA loan payable       60,000       60,000         Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         774,629       613,413         LONG-TERM DEBT         Lien notes payable       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380	*	ents Inc		
Current portion of lien notes payable       34,206       33,922         Income tax payable       63,584       -         774,629       613,413         LONG-TERM DEBT       Lien notes payable       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380		ine.	*	
Income tax payable       63,584 / 774,629       -         LONG-TERM DEBT       Lien notes payable       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2       2         100 class B shares       10       10       10         1,800,000 class C shares       2       2       2         Retained earnings       391,429       332,366       391,443       332,380		pavable	,	
T74,629       613,413         LONG-TERM DEBT         Lien notes payable       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380	=	pujuete	*	-
LONG-TERM DEBT         Lien notes payable       124,678       158,883         SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380			·	613,413
SHAREHOLDERS' EQUITY         Share capital:       40 common shares       2       2         40 common shares       10       10         1,800,000 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380	LONG-TERM DEBT			
Share capital:       40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380	Lien notes payable		124,678	158,883
Share capital:       40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380	SHAREHOLDERS' EQUITY			
40 common shares       2       2         100 class B shares       10       10         1,800,000 class C shares       2       2         Retained earnings       391,429       332,366         391,443       332,380	~			
1,800,000 class C shares       2       2         14       14         Retained earnings       391,429       332,366         391,443       332,380	<u> </u>		2	2
Retained earnings 14 14  391,429 332,366  391,443 332,380	100 class B shares		10	10
Retained earnings         391,429         332,366           391,443         332,380	1,800,000 class C shares		2	2
<u>391,443</u> <u>332,380</u>			14	14
	Retained earnings		391,429	332,366
<u>\$1,290,750</u> <u>\$1,104,676</u>	-		391,443	332,380
<u>\$1,290,750</u> <u>\$1,104,676</u>			Φ1 <b>2</b> 00 <b>7</b> 50	<b>01 104 575</b>
			<u>\$1,290,750</u>	<u>\$1,104,676</u>

## STATEMENT OF INCOME AND RETAINED EARNINGS YEAR ENDED DECEMBER 31, 2023

	2023	2022
SALES	<u>\$5,409,165</u>	\$6,276,460
COST OF SALES		
Purchases	3,673,101	4,609,859
Wages and benefits	313,765	323,382
Subcontract	166,938	166,951
	4,153,804	5,100,192
GROSS PROFIT	1,255,361	1,176,268
EXPENSES		
Advertising	144,614	131,914
Amortization	56,233	44,968
Bad debts	-	10,029
Bank charges and interest	75,903	84,532
Insurance	13,729	15,387
Office and general	78,597	62,421
Professional services	33,936	27,978
Rent Management salaries	96,496 276,852	95,692 241,161
Utilities	11,840	10,472
Telephone, computer and internet	16,022	12,345
Vehicle and travel	52,360	86,014
venicle and traver	856,582	822,913
NET INCOME FROM OPERATIONS	398,779	353,355
Gain on disposal of assets	23,868	6,970
Net income before income taxes	422,647	360,325
Provision for income tax	(63,584)	(24,892)
<b>NET INCOME</b> for the year	359,063	335,433
Retained earnings at the beginning of the year	332,366	246,933
Dividends paid	(300,000)	(250,000)
<b>RETAINED EARNINGS</b> at the end of the year	\$ 391,429	\$ 332,366

## NOTES TO THE FINANCIAL INFORMATION DECEMBER 31, 2023

#### 1. Basis of Accounting

The basis of accounting applied in the preparation of the compiled financial information is on the historical cost basis, reflecting cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
- inventory accounted for at the lower of cost or net realizable value
- property and equipment amortized on the same basis as for income tax
- accounts payable and accrued liabilities
- current income taxes payable as at the reporting date