

**Kaleo Collective Ltd.**

**Financial Statements  
(Unaudited - see Notice to Reader)**

**October 31, 2021**

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|                                    | <b>Page</b> |
|------------------------------------|-------------|
| Notice to Reader                   | 3           |
| Statement of Operations            | 4           |
| Statement of Changes in Net Assets | 5           |
| Statement of Financial Position    | 6           |
| Notes to the Financial Statements  | 7           |



**Crowe MacKay LLP**

2410 Manulife Place

10180 - 101 Street  
Edmonton, AB T5J 3S4

Main +1 (780)420-0626

Fax +1 (780)425-8780

[www.crowemackay.ca](http://www.crowemackay.ca)

## Notice to Reader

On the basis of information provided by management, we have compiled the statement of financial position of Kaleo Collective Ltd. as at October 31, 2021 and the statements of operations and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

These financial statements were compiled solely for the use of Kaleo Collective Ltd. Crowe MacKay LLP makes no representation of any kind to any other person in respect of these financial statements and accepts no responsibility for their use by any other person.

**Edmonton, Canada**  
**April 14, 2022**

*Crowe MacKay LLP*

**Chartered Professional Accountants**

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**Kaleo Collective Ltd.****Statement of Operations**  
**(Unaudited - see Notice to Reader)**

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| <b>For the year ended October 31,</b>       | <b>2021</b>      | <b>2020</b>      |
|---|------------------|------------------|
| <b>Revenues</b>                             |                  |                  |
| Revenue from fundraising and events         | \$ 71,567        | \$ 21,169        |
| Donations                                   | 68,105           | 58,927           |
| Grant revenue                               | 40,450           | 6,667            |
| Government subsidies                        | 10,000           | 16,424           |
| Program revenue                             | 5,758            | 3,090            |
| Gifts in kind                               | 3,105            | 1,000            |
|   | <b>198,985</b>   | <b>107,277</b>   |
| <b>Expenditures</b>                         |                  |                  |
| Advertising and promotion                   | -                | 948              |
| Amortization                                | 1,039            | 1,088            |
| Donations                                   | -                | 484              |
| Event supplies and expenses                 | 20,273           | 9,551            |
| Insurance                                   | 925              | 780              |
| Interest and bank charges                   | 1,808            | 750              |
| Meals and entertainment                     | 55               | 274              |
| Office and administration                   | 2,670            | 5,235            |
| Professional fees                           | 10,505           | 4,246            |
| Program expenses                            | 53,669           | 24,151           |
| Rent  | 3,712            | -                |
| Repairs and maintenance                     | -                | 722              |
| Telephone                                   | 1,649            | 857              |
| Training and education                      | -                | 5,596            |
| Wages and benefits                          | 63,742           | 25,192           |
|   | <b>160,047</b>   | <b>79,874</b>    |
| <b>Excess of revenues over expenditures</b> | <b>\$ 38,938</b> | <b>\$ 27,403</b> |

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**Kaleo Collective Ltd.****Statement of Changes in Net Assets  
(Unaudited - see Notice to Reader)**

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**For the year ended October 31,**

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|   | <b>Unrestricted</b> | <b>Invested in<br/>capital assets</b> | <b>Internally<br/>restricted<br/>fund</b> | <b>Total<br/>2021</b> | <b>Total<br/>2020</b> |
|---|---------------------|---------------------------------------|---|-----------------------|-----------------------|
| <b>Balance, beginning of<br/>year</b>                   | \$ 52,417           | \$ 2,228                              | \$ -                                      | \$ 54,645             | \$ 27,242             |
| Excess (deficiency) of<br>revenues over<br>expenditures | 39,977              | (1,039)                               | -   | 38,938                | 27,403                |
| Transfer to internally<br>restricted fund               | (20,000)            | -                                     | 20,000                                    | -                     | -                     |
| <b>Balance, end of year</b>                             | <b>\$ 72,394</b>    | <b>\$ 1,189</b>                       | <b>\$ 20,000</b>                          | <b>\$ 93,583</b>      | <b>\$ 54,645</b>      |

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**Kaleo Collective Ltd.****Statement of Financial Position  
(Unaudited - see Notice to Reader)**

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| <b>October 31,</b>                       | <b>2021</b>       | <b>2020</b>      |
|--|-------------------|------------------|
| <b>Assets</b>                            |                   |                  |
| <b>Current</b>                           |                   |                  |
| Cash                                     | \$ 180,101        | \$ 84,700        |
| Accounts receivable                      | 1,769             | 1,776            |
| Prepaid expenses                         | 729               | -                |
|  | <b>182,599</b>    | <b>86,476</b>    |
| <b>Equipment</b>                         | <b>1,189</b>      | <b>2,228</b>     |
|  | <b>\$ 183,788</b> | <b>\$ 88,704</b> |
| <b>Liabilities</b>                       |                   |                  |
| <b>Current</b>                           |                   |                  |
| Accounts payable and accrued liabilities | \$ 6,455          | \$ 4,059         |
| Deferred contribution (note 2)           | 43,750            | -                |
|  | <b>50,205</b>     | <b>4,059</b>     |
| <b>Long-term debt (note 3)</b>           | <b>40,000</b>     | <b>30,000</b>    |
|  | <b>90,205</b>     | <b>34,059</b>    |
| <b>Net Assets</b>                        |                   |                  |
| Unrestricted                             | 72,394            | 52,417           |
| Invested in capital assets               | 1,189             | 2,228            |
| Internally restricted fund               | 20,000            | -                |
|  | <b>93,583</b>     | <b>54,645</b>    |
|  | <b>\$ 183,788</b> | <b>\$ 88,704</b> |

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## Kaleo Collective Ltd.

### Notes to the Financial Statements (Unaudited - see Notice to Reader)

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October 31, 2021

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#### 1. Basis of preparation

These financial statements are prepared for internal reporting and income tax reporting purposes only. As these financial statements have not been prepared for general purposes, readers may require further information.

#### 2. Deferred contribution

Deferred contribution represents funds received that will be recognized as revenue in the fiscal year in which the related expenses are incurred. Changes in the deferred contribution balance is as follows:

|                       | Balance,<br>beginning<br>of year | Received  | Recognized  | Balance,<br>end of year |
|-----------------------|----------------------------------|-----------|-------------|-------------------------|
| Government of Alberta | \$ -                             | \$ 75,000 | \$ (31,250) | \$ 43,750               |

#### 3. Long-term debt

|   | 2021      | 2020      |
|---|-----------|-----------|
| Canada Emergency Business Account, interest free until<br>December 31, 2023 | \$ 40,000 | \$ 30,000 |

During the year, Kaleo Collective Ltd. received an additional \$20,000 under the Government of Canada COVID response Canada Emergency Business Account (CEBA) loan program. 33% of the total value is forgivable if fully repaid by December 31, 2023. If the loan is not repaid by December 31, 2023 the full \$60,000 is converted to a term loan repayable in interest only payments at a rate of 5% per annum, with the principal due December 31, 2025.