

Kaleo Collective Ltd.

Financial Information

October 31, 2022

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	Page
Compilation Engagement Report	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Notes to the Financial Information	7

Compilation Engagement Report

To the directors of Kaleo Collective Ltd.

On the basis of information provided by management, we have compiled the statement of financial position of Kaleo Collective Ltd. as at October 31, 2022, the statements 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 ("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.

Edmonton, Canada
March 6, 2023



Chartered Professional Accountants

Kaleo Collective Ltd.**Statement of Operations**

For the year ended October 31,	2022	2021
Revenues		
Donations	\$ 167,165	\$ 68,105
Gifts in kind	3,883	3,105
Government subsidies	-	10,000
Grant revenue	65,898	40,450
Program revenue	5,703	5,758
Revenue from fundraising and events	-	71,567
	242,649	198,985
Expenditures		
Amortization	1,072	1,039
Event supplies and expenses	-	20,273
Insurance	1,551	925
Interest and bank charges	3,696	1,808
Meals and entertainment	1,991	55
Office and administration	3,944	2,670
Professional fees	16,501	10,505
Program expenses	78,417	53,669
Rent	15,000	3,712
Telephone	1,987	1,649
Wages and benefits	113,256	63,742
	237,415	160,047
Excess of revenues over expenditures	\$ 5,234	\$ 38,938

Kaleo Collective Ltd.**Statement of Changes in Net Assets**

For the year ended October 31,

	Unrestricted	Invested in capital assets	Internally restricted fund	Total 2022	Total 2021
Balance, beginning of year	\$ 72,394	\$ 1,189	\$ 20,000	\$ 93,583	\$ 54,645
Excess (deficiency) of revenues over expenditures	6,306	(1,072)	-	5,234	38,938
Purchase of capital assets	(4,184)	4,184	-	-	-
Balance, end of year	\$ 74,516	\$ 4,301	\$ 20,000	\$ 98,817	\$ 93,583

Kaleo Collective Ltd.**Statement of Financial Position**

October 31, **2022** **2021**

Assets**Current**

Cash	\$ 144,265	\$ 180,101
Accounts receivable	3,487	1,769
Prepaid expenses	5,523	729

153,275 **182,599****Equipment****4,301** **1,189**

\$ 157,576 **\$ 183,788**

Liabilities**Current**

Accounts payable and accrued liabilities	\$ 12,509	\$ 6,455
Deferred contribution (note 2)	6,250	43,750

18,759 **50,205****Long-term debt (note 3)****40,000** **40,000**

58,759 **90,205**

Net Assets

Unrestricted	74,516	72,394
Invested in capital assets	4,301	1,189
Internally restricted fund	20,000	20,000

98,817 **93,583**

\$ 157,576 **\$ 183,788**

Kaleo Collective Ltd.

Notes to the Financial Information

October 31, 2022

1. Basis of accounting

The basis of accounting applied in the preparation of the statement of financial position of Kaleo Collective Ltd. as at October 31, 2022 and the statements of operations and changes in net assets for the year then ended is the historical cost basis and reflects cash transactions with the addition of the following:

- (i) accounts receivable net of allowance for doubtful accounts
- (ii) property, plant and equipment amortized over their useful life
- (iii) accounts payable and accrued liabilities
- (iv) deferred revenue
- (v) bank loans and long-term debt carried at amortized cost
- (vi) donation revenue is recognized when donations are received or become receivable

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, beginning of year	Received	Recognized	Balance, end of year
Government of Alberta	\$ 43,750	\$ -	\$ (37,500)	\$ 6,250

3. Long-term debt

	2022	2021
Canada Emergency Business Account, interest free until December 31, 2023	\$ 40,000	\$ 40,000

During the 2020 year, Kaleo Collective Ltd. received \$40,000 under the Government of Canada COVID response Canada Emergency Business Account (CEBA) loan program. During the 2021 year, the organization received an additional \$20,000. 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.