

Kaleo Collective Ltd.

Financial Information

October 31, 2023

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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, 2023, 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 11, 2024

Crowe Mackay CFP
Chartered Professional Accountants

Kaleo Collective Ltd.**Statement of Operations**

For the year ended October 31, 2023

Revenues

Donations	\$ 268,609
Grant revenue	66,401
Program revenue	5,104

340,114

Expenditures

Amortization	1,713
Insurance	2,751
Interest and bank charges	2,220
Meals and entertainment	3,095
Office and administration	3,034
Professional fees	9,620
Program expenses	166,481
Rent	16,500
Telephone	1,865
Wages and benefits	132,830

340,109

Excess of revenues over expenditures**\$ 5**

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

For the year ended October 31, 2023

	Unrestricted	Invested in capital assets	Internally restricted fund	Total
Balance, beginning of year	\$ 74,516	\$ 4,301	\$ 20,000	\$ 98,817
Excess (deficiency) of revenues over expenditures	1,718	(1,713)	-	5
Purchase of capital assets	(1,879)	1,879	-	-
Balance, end of year	\$ 74,355	\$ 4,467	\$ 20,000	\$ 98,822

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

October 31, 2023

Assets**Current**

Cash	\$ 109,229
Accounts receivable	29,509
Prepaid expenses	1,827
Deferred expenditures	41,000

181,565**Equipment****4,467**

\$ 186,032

Liabilities**Current**

Accounts payable and accrued liabilities	\$ 9,764
Unearned revenue (note 2)	37,446
Current portion of long-term debt (note 3)	40,000

87,210

Net Assets

Unrestricted	74,355
Invested in capital assets	4,467
Internally restricted fund	20,000

98,822

\$ 186,032

Kaleo Collective Ltd.

Notes to the Financial Information

October 31, 2023

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, 2023 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. Unearned revenue

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

	Balance, beginning of year	Received	Recognized	Balance, end of year
Government of Alberta	\$ 6,250	\$ -	\$ (6,250)	\$ -
Red Cross	-	52,684	(26,342)	26,342
IRP	-	24,300	(19,300)	5,000
	\$ 6,250	\$ 76,984	\$ (51,892)	\$ 37,446

3. Long-term debt

Canada Emergency Business Account, interest free until December 31, 2023	\$ 40,000
Less current portion	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 January 18, 2024. If the loan is not repaid by January 18, 2024 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.