PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Financial Statements

March 31, 2025

FLETCHER MUDRYK LLP
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INDEPENDENT AUDITORS' REPORT

To the Directors of Peace Region Economic Development Alliance

Opinion

We have audited the financial statements of Peace Region Economic Development Alliance (the organization), which comprise the statement of financial position as at March 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2025, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Independent Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

We draw attention to Note 2 to the financial statements, which describes that Peace Region Economic Development Alliance adopted ASNPO on April 1, 2024 with a transition date of April 1, 2023. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2024 and April 1, 2023, and the statements of revenues and expenditures, changes in net assets and cash flow for the year ended March 31, 2024 and related disclosures. Our opinion is not modified in respect of this matter.

We were not engaged to report on the comparative information and, as such, it is unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Fletcher Mudryk LLP

Grande Prairie, Alberta
July 16, 2026

Chartered Professional Accountants

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Statement of Financial Position

March 31, 2025

	March 31 **2025**	*March 31* 2024 *(Unaudited)*	*April 1* 2023 *(Unaudited)*
ASSETS			
CURRENT			
Cash	$ **25,224**	$ 12,768	$ 154,568
Accounts receivable *(Note 4)*	**2,969**	5,463	636
	$ **28,193**	$ 18,231	$ 155,204
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	$ **9,999**	$ 4,000	$ 4,000
NET ASSETS	**18,194**	14,231	151,204
LIABILITIES AND NET ASSETS	$ **28,193**	$ 18,231	$ 155,204

ON BEHALF OF THE BOARD

_____ *Director*

Brian Peterson

_____ *Director*

Please see accompanying notes to financial statements

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Statement of Revenues and Expenditures

Year Ended March 31, 2025

	2025	2024 *(Unaudited)*
REVENUES		
Government of Alberta grants	**$ 125,000**	$ -
Memberships	**135,005**	168,193
	260,005	168,193
EXPENDITURES		
Advertising and promotion	**6,687**	2,215
GST expense	**2,838**	-
Interest and bank charges	**326**	401
Meetings and conventions	**7,011**	3,762
Office	**16,535**	23,530
Project expenses	**98,775**	163,399
Professional fees	**11,668**	7,378
Rental	**4,800**	3,000
Sub-contracts	**90,000**	90,000
Telephone	**5,949**	6,148
Travel	**11,453**	6,531
	256,042	306,364
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**$ 3,963**	$ (138,171)

Please see accompanying notes to financial statements

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Statement of Changes in Net Assets

Year Ended March 31, 2025

		2025		2024 *(Unaudited)*
NET ASSETS - BEGINNING OF YEAR	**$**	**14,231**	$	152,402
Excess (deficiency) of revenues over expenditures		**3,963**		(138,171)
NET ASSETS - END OF YEAR	**$**	**18,194**	$	14,231

Please see accompanying notes to financial statements

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Statement of Cash Flow

Year Ended March 31, 2025

	2025	2024 *(Unaudited)*
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	**$ 3,963**	$ (138,171)
Changes in non-cash working capital:		
Accounts receivable	**2,493**	(3,629)
Accounts payable and accrued liabilities	**6,000**	-
	8,493	(3,629)
INCREASE (DECREASE) IN CASH	**12,456**	(141,800)
CASH - BEGINNING OF YEAR	**12,768**	154,568
CASH - END OF YEAR	**$ 25,224**	$ 12,768

Please see accompanying notes to financial statements

1. PURPOSE OF THE ORGANIZATION

Peace Regional Economic Development Alliance is a not-for-profit organization incorporated under The Companies Act of Alberta in October, 2000. The Alliance is a regional partnership of communities, education institutions, business groups, industry and government service providers committed to a vision of working together to guide the economic development future of the Peace Country.

The Alliance's mission is to "promote sustainable economic development in the Peace Region". The priorities of the Alliance are: marketing the region; regional infrastructure; opportunity identification; investment attraction; and regional leadership and partnerships.

The Alliance is exempt from income taxes under Subsection 149 of the Income Tax Act.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year, the organization adopted Canadian accounting standards for not-for-profit organizations (ASNPO). These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively, resulting in changes to beginning equity and restatement of certain assets and liabilities as described below.

a) The statement of financial position at April 1, 2023 has no restatements.

b) The balance of net assets at April 1, 2023 has no restatements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Cash and cash equivalents

Cash and cash equivalents consists solely of cash in bank.

Net assets

a) Internally restricted net assets are funds which have been designated for a specific purpose by the organization’s Board of Directors.
b) Unrestricted net assets comprise the excess of revenues over expenditures accumulated by the organization each year, not of transfers, and are available for general purposes.

Revenue recognition

Peace Region Economic Development Alliance follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Membership revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Significant estimates include providing for uncollectible accounts receivable. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. ACCOUNTS RECEIVABLE

	2025	2024 *(Unaudited)*
Accounts receivable	**$ 751**	$ 751
GST receivable	**2,218**	4,712
	$ 2,969	$ 5,463

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2025.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

Unless otherwise noted, it is management’s opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

6. ECONOMIC DEPENDENCE

The organization is dependent upon funding from the Government of Alberta.

7. COMPARATIVE FIGURES

The prior year comparative figures were compiled by another accountant and were not subject to review by Fletcher Mudryk LLP. The financial statements for the year-ended March 31, 2024 were unaudited.