

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Financial Statements

March 31, 2026



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, 2026, 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, 2026, 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.

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.

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.

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Independent Auditors' Report to the Members of Peace Region Economic Development Alliance *(continued)*

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 Moody & LLP

Grande Prairie, Alberta
September 3, 2026

Chartered Professional Accountants



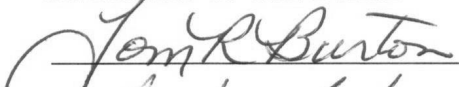
PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Statement of Financial Position

March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	\$ 3,511	\$ 25,224
Accounts receivable <i>(Note 3)</i>	<u>6,911</u>	<u>2,969</u>
	<u>\$ 10,422</u>	<u>\$ 28,193</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 23,715	\$ 9,999
Deferred revenue	<u>13,430</u>	<u>-</u>
	37,145	9,999
NET ASSETS (DEFICIENCY)	<u>(26,723)</u>	<u>18,194</u>
	<u>\$ 10,422</u>	<u>\$ 28,193</u>

ON BEHALF OF THE BOARD

 Director

 Director

Please see accompanying notes to financial statements

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Statement of Revenues and Expenditures

Year Ended March 31, 2026

	2026	2025
REVENUES		
Government of Alberta grants	\$ 125,000	\$ 125,000
Memberships	134,290	135,005
	<u>259,290</u>	<u>260,005</u>
EXPENDITURES		
Advertising and promotion	8,623	6,687
GST expense	-	2,838
Interest and bank charges	274	326
Meetings and conventions	5,483	7,011
Office	24,313	16,535
Project expenses	126,252	98,775
Professional fees	27,033	11,668
Rental	4,800	4,800
Sub-contracts	90,000	90,000
Telephone	6,098	5,949
Travel	11,331	11,453
	<u>304,207</u>	<u>256,042</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (44,917)</u>	<u>\$ 3,963</u>

Please see accompanying notes to financial statements

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Statement of Changes in Net Assets

Year Ended March 31, 2026

	2026	2025
NET ASSETS - BEGINNING OF YEAR	\$ 18,194	\$ 14,231
Excess (deficiency) of revenues over expenditures	<u>(44,917)</u>	<u>3,963</u>
NET ASSETS (DEFICIENCY) - END OF YEAR	<u>\$ (26,723)</u>	<u>\$ 18,194</u>

Please see accompanying notes to financial statements

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Statement of Cash Flow
Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	<u>\$ (44,917)</u>	<u>\$ 3,963</u>
Changes in non-cash working capital:		
Accounts receivable	(3,942)	2,493
Accounts payable and accrued liabilities	13,716	6,000
Deferred revenue	<u>13,430</u>	<u>-</u>
	<u>23,204</u>	<u>8,493</u>
INCREASE (DECREASE) IN CASH	(21,713)	12,456
CASH - BEGINNING OF YEAR	<u>25,224</u>	<u>12,768</u>
CASH - END OF YEAR	<u>\$ 3,511</u>	<u>\$ 25,224</u>

Please see accompanying notes to financial statements

PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2026

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. 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.

Deferred revenue

Deferred revenue consists of membership fees received in advance. These amounts are recognized as revenue over the period to which the membership relates.

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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PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2026

2. 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.

3. ACCOUNTS RECEIVABLE

	2026	2025
Accounts receivable	\$ -	\$ 751
GST receivable	6,911	2,218
	<u>\$ 6,911</u>	<u>\$ 2,969</u>

4. 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, 2026.

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.

5. ECONOMIC DEPENDENCE

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