THE BUSINESS LINK BUSINESS SERVICE CENTRE

Consolidated Financial Statements

For the Year Ended March 31, 2026

BUSINESSLINK
ALBERTA

Tel: (403) 266-5608
Fax: (403) 233-7833
Toll free: 1 (888) 444-4840
www.bdo.ca

BDO Canada LLP
620, 903 8th Avenue SW
Calgary, Alberta
T2P 0P7

Independent Auditor's Report

To the Directors of The Business Link Business Service Centre

Opinion

We have audited the consolidated financial statements of The Business Link Business Service Centre (the "Organization"), which comprise the statement of consolidated financial position as at March 31, 2026, and the consolidated statements of comprehensive income (loss), consolidated statement of changes in net assets and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 *Auditor's Responsibilities for the Audit of the Consolidated financial statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 auditor's report to the related disclosures in the consolidated 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 auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
June 19, 2026

THE BUSINESS LINK BUSINESS SERVICE CENTRE

Statements of Consolidated Financial Position
Year Ended March 31

	2026	2025
ASSETS		
CURRENT		
Cash and Cash equivalents (Note 3)	**$2,343,257**	$2,418,264
Accounts receivable	**52,726**	332,483
Goods and Services Tax recoverable	**789**	955
Prepaid expenses and deposits	**27,078**	27,490
	2,423,850	2,779,192
NON-CURRENT ASSETS		
Tangible Capital Assets (Note 4)	**-**	1,162
	2,423,850	2,780,354
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	**246,282**	160,586
Deferred Contribution (Note 6)	**1,566,619**	2,019,709
	1,812,901	2,180,295
NET ASSETS		
Invested in tangible capital assets	**-**	1,162
Unrestricted	**610,949**	598,897
	610,949	600,059
	$2,423,850	$2,780,354

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Chair, Finance and Audit Committee

Rohit Joshi

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Board Chair

Mark Dickin

THE BUSINESS LINK BUSINESS SERVICE CENTRE

Statements of Consolidated Operations
Year Ended March 31, 2026

	2026	2025
REVENUES		
Other grants (Note 7)	**$602,465**	$8,602,200
Core Funding Grants (Prairies Economic Development Canada)	**1,160,574**	783,482
Core Funding Grants (Government of Alberta)	**1,312,915**	783,483
Fees for services and materials	**-**	115,806
Interest	**10,890**	24,287
Sponsorships	**-**	3,500
	3,086,844	**10,312,758**
EXPENSES		
Grants paid out	**-**	4,141,455
Contracted services	**27,707**	2,787,994
Salaries and benefits	**2,211,682**	2,372,989
Advertising and promotion	**326,725**	366,507
Rent	**96,020**	121,968
Office	**13,161**	13,292
Professional fees	**112,245**	59,454
Travel	**107,402**	75,009
Membership	**63,393**	70,012
Client outreach	**22,640**	35,620
Equipment maintenance	**16,855**	31,327
Website and database support services	**13,513**	32,563
Training	**34,762**	49,804
Depreciation	**1,162**	1,906
Insurance	**10,556**	4,724
Bank charges and interest	**3,765**	10,838
Telephone and internet	**13,714**	25,832
Bad Debts	**652**	-
	3,075,954	10,201,294
EXCESS OF REVENUE OVER EXPENSES	**$10,890**	$111,464

THE BUSINESS LINK BUSINESS SERVICE CENTRE

Statements of Consolidated Changes in Net Assets
Year Ended March 31, 2026

	Invested in Capital Tangible Assets	Unrestricted	2026	2025
BALANCE, BEGINNING OF YEAR	**$1,162**	**598,897**	**$600,059**	488,595
Excess of revenue over expenses	-	10,890	10,890	111,464
Depreciation of tangible capital assets	(1,162)	1,162	-	-
BALANCE, END OF YEAR	**$-**	**610,949**	**$610,949**	600,059

THE BUSINESS LINK BUSINESS SERVICE CENTRE

Statements of Consolidated Cash Flow

Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenue over expenses	**$10,890**	$111,464
Items not affecting cash:		
Depreciation of tangible assets	**1,162**	1,906
	12,052	113,370
Change in non-cash working capital		
Accounts receivable	**279,757**	1,293,056
Goods and Services Tax recoverable	**166**	233,720
Prepaid expenses	**412**	17,320
Accounts payable and accrued liabilities	**85,696**	(470,596)
Deferred contribution	**(453,090)**	(214,632)
	(75,007)	972,238
INVESTING ACTIVITIES		
Purchase of tangible capital assets	**-**	-
INCREASE IN CASH AND CASH EQUIVALENTS	**(75,007)**	972,238
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**2,418,264**	1,446,026
CASH AND CASH EQUIVALENTS, END OF PERIOD (Note 3)	**2,343,257**	2,418,264

PURPOSE OF THE ORGANIZATION

The Business Link Business Service Centre (the "Centre") is a not-for-profit company established to provide business information and information-related assistance to entrepreneurs in the Province of Alberta. The Centre has operations in both Calgary and Edmonton.

The Centre was incorporated on November 13, 2001 under the Alberta Business Corporations Act as a company limited by guarantee and is exempt from taxes under subsection 149.1 of the Income Tax Act, Canada.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents

Cash and cash equivalents is comprised of items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition. Cash consists of cash on hand, deposits held with Canadian financial institutions.

(c) Tangible Capital Assets

Tangible capital assets are measured at cost less accumulated depreciation. Amortization is provided over the assets' estimated useful lives, using the following annual rates and methods:

Computer hardware: 3 years

When a tangible capital asset no longer contributes to the Centre's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. All tangible capital assets are amortized using the straight-line method.

(d) Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income earned on savings accounts is recognized as revenue in the period in which the income is realized. The interest is allocated to the applicable program benefiting from the funds, ensuring that the earnings are matched to the program that generated them.

Fees for services and materials are recognized in the period when services are rendered or when materials are provided and the amount can be reasonably estimated and collection is reasonably assured.

Sponsorships are recognized when the amount can be reasonably estimated and collection is reasonably

1. ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments

i) Measurement
The Centre initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Centre subsequently measures its financial assets and liabilities at amortized cost, except for marketable securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The Centre has no financial assets measured at fair value.

ii) Impairment
Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in excess of revenues over expenses. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in excess of revenues over expenses.

(f) Pension Expenses
The Centre accounts for the Local Authorities Pension Plan as a multi-employer plan, specifically, employer contributions for current and past service pension benefits are recorded as expenses in the year in which they become due. The Centre does not recognize its share of the pension benefit obligation (Note 8).

(g) Allocation of Funding Project Administration Expenses
The Centre incurs various expenses that are related to administrating various funding projects. These allocated expenses are based on a consistent basis that aims to estimate the proportion of benefit.

(h) Use of estimates
The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. Significant estimates pertain to the physical and economic lives of tangible capital assets, the recoverability of accounts receivable, and the administrative expenses related to various funding projects.

2. BASIS OF CONSOLIDATION

Business Link was created on February 20, 1996 by the governments of Canada and Alberta (together, the “Members”) and was incorporated on November 13, 2001 under the Alberta Business Corporations Act as a company limited by guarantee. Business Link is exempt from income taxes under subsection 149.1 of the Income Tax Act (Canada).

On October 20, 2025, as per the request of the Members, Business Link incorporated Business Link Services Not-For-Profit Corp. (“Business Link Alberta”) under the Canada Not-for-profit Corporations Act. All existing directors of Business Link were appointed to the board of directors of Business Link Alberta. The members of Business Link Alberta are Alberta residents.

2. BASIS OF CONSOLIDATION (CONT'D)

Business Link and Business Link Alberta (together, the "Centre") are being managed, governed, and operated on a combined basis through March 31, 2026. Business Link Alberta and Business Link entered into a management services agreement effective January 1, 2026.

These consolidated financial statements include the accounts of Business Link and Business Link Alberta. All intercompany balances and transactions have been eliminated on consolidation. The Centre is a not-for-profit organization established to provide business information and information-related assistance to entrepreneurs in the Province of Alberta. The Centre operates in Alberta with its head office in Calgary, Alberta.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include restricted cash of $1,566,619 (2025 - $2,019,709) representing unspent externally restricted grant funding as disclosed in Note 5 and unrestricted cash of $776,638 (2025 - $398,555).

4. TANGIBLE CAPITAL ASSETS

	Cost	Depreciation	2026	2025
Computer Hardware	49,944	49,944	-	1,162

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Trade	201,864	111,761
Salaries and Benefits	44,418	48,825
	$246,282	**$160,586**

The Organization is involved in an employment-related legal dispute arising from the termination of a former employee. While management believes the termination was justified, the outcome remains uncertain due to a litigation risk.
Based on external legal counsel assessment, management has determined that a financial obligation is likely and has recognized a provision within accrued liabilities in accordance with Section 3290 – Contingencies.
The matter is ongoing, and the ultimate resolution may differ from current estimates.

6. DEFERRED CONTRIBUTION

Deferred contributions are unspent externally restricted funds that are related to expenses to be incurred in a future year. Changes in the deferred contributions balance are as follows:

	2026	2025
Balance, Beginning of the period	2,019,709	2,234,341
Add: Contribution received during the period	1,957,400	9,486,629
Add: Interest earned on restricted funds	69,276	-
Less: Amount recognized as revenue during the period	2,479,767	9,701,261
Balance, End of the period	**$1,566,619**	**$2,019,709**

Deferred Contribution Ending Balance by Program:

	2026	2025
Digital Economy Program	263,560	582,614
Core Funding Grants (Government of Alberta)	1,303,059	1,195,105
Core Funding Grants (Prairies Economic Development Canada)	-	241,990
Balance, End of the period	**$1,566,619**	**$2,019,709**

7. OTHER FUNDING

	2026	2025
Canada Digital Adoption Program	-	6,648,882
Alberta Digital Economy Program (Schedule I)	325,992	1,764,760
Indigenous Business Development Services program (Schedule II)	276,473	188,558
	$602,465	**$8,602,200**

8. ECONOMIC DEPENDENCE

The Centre is economically dependent on Western Economic Diversification for core funding.

The Centre is economically dependent on the Government of Alberta (Alberta Jobs, Economy and Trade) for core funding.

9. LOCAL AUTHORITIES PENSION PLAN

Employees of the Centre participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Total current and past service contributions made by the Centre to LAPP as of March 31, 2026 were $124,363 (2025 - $137,360). Total current and past service contributions made by the employees of the Centre to the LAPP as of March 31, 2026 were $109,906 (2025 - $124,816).

10. FINANCIAL INSTRUMENTS

The following analysis provides information about the Centre's risk exposure and concentration as of March 31, 2026.

(a) Credit Risk
Credit risk arises from the potential that a counter party will fail to perform its obligations. The Centre is exposed to credit risk from providers of grants. The Centre's primary providers of grants are the Federal and Provincial governments, which minimizes credit risk.

(b) Liquidity Risk
Liquidity risk is the risk the Centre will encounter difficulties in meeting its financial liability obligations. The Centre is exposed to this risk mainly in respect of its receipt of funds from providers of grants and accounts receivable. The Centre mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

There are no significant changes in the risk profile of the financial instruments of the Centre from prior period.

THE BUSINESS LINK BUSINESS SERVICE CENTRE

Schedule of Digital Economy Program Revenue and Expenses
Year Ended March 31,

Schedule I

	2026	2025
REVENUES		
Other grants (Government of Alberta)	**$325,992**	$1,764,760
EXPENSES		
Grants paid out	**-**	857,286
Contracted services	**2,659**	408,734
Salaries and benefits	**243,361**	303,743
Advertising and promotion	**39,483**	109,651
Rent	**9,296**	21,657
Office	**762**	1,217
Professional fees	**5,969**	7,576
Travel	**8,978**	13,069
Membership	**3,668**	11,734
Client outreach	**2,460**	5,623
Equipment maintenance	**1,612**	5,181
Website and database support services	**-**	9,517
Training	**4,277**	4,288
Insurance	**1,752**	927
Bank charges and interest	**344**	1,373
Telephone and internet	**1,371**	3,184
	325,992	1,764,760
EXCESS OF REVENUE OVER EXPENSES	**$-**	$-

THE BUSINESS LINK BUSINESS SERVICE CENTRE

Schedule of Indigenous Business Development Services Revenue and Expenses

Year Ended March 31, *Schedule II*

	2026	2025
REVENUES		
Other grants (Government of Alberta)	**$95,192**	$65,996
Other grants (Prairies Economic Development Canada)	**181,281**	122,562
	276,473	188,558
EXPENSES		
Contracted services	**2,659**	1,044
Salaries and benefits	**216,171**	147,364
Advertising and promotion	**18,220**	8,467
Rent	**9,296**	7,467
Office	**749**	368
Professional fees	**7,629**	3,268
Travel	**8,732**	4,288
Membership	**3,668**	4,554
Client outreach	**830**	4,961
Equipment maintenance	**1,612**	2,108
Website and database support services	**-**	428
Training	**3,775**	2,574
Insurance	**1,752**	362
Bank charges and interest	**-**	47
Telephone and internet	**1,380**	1,258
	276,473	188,558
EXCESS OF REVENUE OVER EXPENSES	**$-**	$-

THE BUSINESS LINK BUSINESS SERVICE CENTRE

Schedule of CORE Operations

Year Ended March 31,

Schedule III

	2026	2025
REVENUES		
Other grants	**-**	92,458
Core Funding Grants (Prairies Economic Development Canada)	**960,784**	783,483
Core Funding Grants (Government of Alberta)	**1,308,557**	783,482
Interest	**10,890**	24,287
Fees for services and materials	**-**	6,177
Sponsorships	**-**	3,500
	2,280,231	1,693,387
EXPENSES		
Grants paid out	**-**	2,400
Contracted services	**21,931**	9,111
Salaries and benefits	**1,596,055**	1,085,672
Advertising and promotion	**241,022**	174,061
Rent	**77,429**	62,352
Office	**11,621**	5,522
Professional fees	**98,648**	36,850
Travel	**74,321**	50,166
Membership	**56,058**	37,891
Client outreach	**15,160**	19,154
Equipment maintenance	**13,631**	16,206
Website and database support services	**13,513**	13,545
Training	**26,707**	43,333
Depreciation	**1,162**	1,906
Insurance	**7,053**	2,059
Bank charges and interest	**3,418**	5,058
Telephone and internet	**10,969**	16,637
Bad Debts	**643**	-
	2,269,341	1,581,923
EXCESS OF REVENUE OVER EXPENSES	**$10,890**	$111,464

THE BUSINESS LINK BUSINESS SERVICE CENTRE

Schedule of Community Outreach Operations
Year Ended March 31,

Schedule IV

	2026	2025
REVENUES		
Core funding Grants (Prairies Economic Development Canada)	$199,790	$-
Core funding Grants (Government of Alberta)	4,358	-
	204,148	-
EXPENSES		
Contracted services	457	-
Salaries and benefits	156,095	-
Advertising and promotion	28,000	-
Office	33	-
Travel	15,372	-
Client outreach	4,191	-
	204,148	-
EXCESS OF REVENUE OVER EXPENSES	$-	$-