CAMROSE AND AREA LODGE AUTHORITY

Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2025

METRIX GROUP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Camrose and Area Lodge Authority

Opinion

We have audited the financial statements of the Camrose and Area Lodge Authority (the "Authority"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2025, and the results of its operations and the changes in its net assets and 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe 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 Canadian accounting standards for not-for-profit organizations, 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 Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 it 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 Authority's internal control.

- Evaluate the appropriateness of accounting policies 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 Authority'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 Authority 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
March 27, 2026

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CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash and cash equivalents (Note 2)	**$ 1,674,466**	$ 1,395,775
Accounts receivable (Note 3)	**21,753**	19,638
Prepaid expenses and deposits	**14,160**	17,705
	1,710,379	1,433,118
TANGIBLE CAPITAL ASSETS (Note 4)	**2,935**	5,614
	$ 1,713,314	$ 1,438,732
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	**$ 519,676**	$ 453,876
NET ASSETS		
Unrestricted net assets	**1,046,730**	835,269
Internally restricted net assets (Note 6)	**143,973**	143,973
Invested in tangible capital assets	**2,935**	5,614
	1,193,638	984,856
	$ 1,713,314	$ 1,438,732

APPROVED ON BEHALF OF THE BOARD:

Signed by:
David Francoeur
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Director

Signed by:
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Director

CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Budget	**2025 Actual**	2024 Actual
REVENUE			
Accommodation	$ 2,064,550	**$ 2,260,875**	$ 2,025,616
Grants	419,020	**335,571**	345,138
Interest	60,344	**44,379**	61,875
Recoveries	16,971	**28,625**	28,898
	2,560,885	**2,669,450**	2,461,527
EXPENSES			
Wages and benefits	1,813,115	**1,646,002**	1,480,696
Food and kitchen supplies	381,128	**377,136**	353,073
Utilities	224,588	**171,516**	177,791
Administrative management	157,500	**157,500**	157,500
Building and ground maintenance	54,916	**66,799**	44,467
General administration	34,970	**31,259**	23,769
Cleaning supplies and services	31,147	**21,030**	19,899
Telephone	14,717	**15,304**	13,568
Professional fees	11,193	**11,500**	11,000
Insurance	4,874	**5,060**	4,865
Equipment purchase and repairs	6,333	**3,318**	5,167
Conference and travel	3,969	**1,565**	1,360
Bad debts	-	**-**	2,054
	2,738,450	**2,507,989**	2,295,209
SURPLUS (DEFICIT) BEFORE OTHER ITEMS	(177,565)	**161,461**	166,318
OTHER ITEMS			
Municipal requisitions (Note 8)	200,000	**200,000**	175,000
Bashaw transfer (Note 8)	(150,000)	**(150,000)**	(150,000)
Amortization on capital assets	(2,679)	**(2,679)**	(5,471)
ANNUAL SURPLUS (DEFICIT)	**$ (130,244)**	**$ 208,782**	$ 185,847

CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Unrestricted Net Assets	Invested in Tangible Capital Assets	Internally Restricted Net Assets (Note 6)	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 835,269	$ 5,614	$ 143,973	**$ 984,856**	$ 799,009
Annual surplus	208,782	-	-	**208,782**	185,847
Amortization of tangible capital assets	2,679	(2,679)	-	-	-
NET ASSETS - END OF YEAR	**$ 1,046,730**	**$ 2,935**	**$ 143,973**	**$ 1,193,638**	$ 984,856

CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Annual surplus	**$ 208,782**	$ 185,847
Items not affecting cash:		
Amortization of tangible capital assets	**2,679**	5,471
Change in non-cash working capital		
Accounts receivable	**(2,115)**	25,305
Prepaid expense and deposits	**3,545**	22
Accounts payable and accrued liabilities	**65,800**	38,742
Cash flow from operating activities	**278,691**	255,387
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**1,395,775**	1,140,388
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 1,674,466**	$ 1,395,775

NATURE OF OPERATIONS

The Camrose and Area Lodge Authority was established by Ministerial Order, pursuant to the Alberta Housing Act. It is responsible for the operation and administration of the Rosealta Lodge in Camrose, Alberta. The Authority qualifies as a not-for-profit organization as defined in the Income Tax Act and is exempt from income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

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

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. All amounts are readily converted into known amounts of cash and are subject to an insignificant change in value.

(c) Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. When fair value cannot be reasonably determined, the capital asset is recorded at a nominal value. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Equipment	3 to 30 years, Straight-line method

(d) Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Authority writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Authority's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Authority determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

(e) Revenue Recognition

The Authority follows the deferral method of accounting for contributions. 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.

Externally restricted contributions for tangible capital assets are recorded as deferred contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the tangible capital assets acquired by the contribution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Revenue Recognition (cont'd)

Rent and recoveries are recognized as revenue in the year the service is provided.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(g) Internally restricted net assets

The Authority's Board of Directors hold internally restricted net assets in reserves to be used for specific purposes (see details in Note 6). These internally restricted amounts are not available for general purposes without approval by the Board of Directors.

(h) Contributed materials and services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

(i) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management's estimates include the useful lives of tangible capital assets, the corresponding rates of amortization and the amount of accrued liabilities. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

(j) Financial Instruments

Measurement of financial instruments

The Authority initially measures its financial assets and financial liabilities at fair value, and subsequently measures all its financial assets and financial liabilities at amortized cost.

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 Authority has no financial assets measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

2. CASH AND CASH EQUIVALENTS

	2025	2024
Operating account	$ 1,674,266	$ 1,395,575
Petty cash	200	200
	$ 1,674,466	$ 1,395,775

The Board has internally restricted $143,973 (2024 - $143,973) of cash as reserves for future major maintenance repairs and upgrades to the lodges as indicated in Note 6.

3. ACCOUNTS RECEIVABLE

	2025	2024
GST recoverable	$ 20,726	$ 18,268
Resident rents receivable	1,027	1,370
	$ 21,753	$ 19,638

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Equipment	$ 158,932	$ 155,997	$ 2,935	$ 5,614

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Due to Bethany Nursing Home of Camrose, Alberta	$ 329,718	$ 350,454
Accrued liabilities	152,272	65,660
Trade payables	37,686	37,762
	$ 519,676	$ 453,876

6. INTERNALLY RESTRICTED NET ASSETS

Internally restricted funds are not available for unrestricted purposes without the approval of the Authority's Board of Directors. Net assets have been internally restricted to fund major future capital expenditures.

7. RELATED PARTY TRANSACTIONS

The Bethany Nursing Home of Camrose, Alberta acts as the Chief Administrative Officer (CAO), providing management, administrative, and operational support for the Authority.

The Authority paid management fees of $157,500 for administrative support to Bethany Nursing Home of Camrose, Alberta for the year ended December 31, 2025 (2024 - $157,500).

As at December 31, 2025, the amount payable to The Bethany Nursing Home of Camrose, Alberta is $329,718 (2024 - $350,454).

These transactions were in the normal course of operations and were recorded at the exchange amount, which is the amount agreed upon by the related parties.

8. MUNICIPAL REQUISITIONS

	2025	2024
City of Camrose	**$ 111,240**	$ 97,720
County of Camrose	**85,520**	74,585
Town of Bashaw	**3,240**	2,695
	$ 200,000	$ 175,000

In June 2013, Bashaw Valley Lodge was closed and the Lodge residents moved to a new facility, Bashaw Meadows, which is owned and operated by Bethany Nursing Home of Camrose, Alberta. Bashaw Meadows provides both Lodge and Supportive Living Services. The Authority committed to support Bashaw Meadows by providing a $150,000 annual contribution to 2030.

9. FINANCIAL INSTRUMENTS

It is management's opinion that the Authority is not exposed to significant credit, liquidity, market, currency, interest rate or other price risk through its financial instruments which include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities.