WETASKIWIN 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 Wetaskiwin and Area Lodge Authority

Opinion

We have audited the financial statements of the Wetaskiwin 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 25, 2026

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

	2025	2024
ASSETS		
CURRENT		
Cash and cash equivalents (Note 2)	**$ 2,538,750**	$ 2,298,873
Accounts receivable (Note 3)	**205,058**	40,044
Prepaid expenses and deposits	**34,716**	46,734
	2,778,524	2,385,651
TANGIBLE CAPITAL ASSETS (Note 4)	**9,223,298**	9,487,202
	$ 12,001,822	$ 11,872,853
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	**$ 460,476**	$ 432,723
Current portion of long-term debt (Note 6)	**348,411**	333,609
	808,887	766,332
LONG-TERM DEBT (Note 6)	**4,186,438**	4,534,848
DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS (Note 7)	**5,369,780**	5,405,051
	10,365,105	10,706,231
NET ASSETS		
Unrestricted net assets	**1,263,266**	898,146
Internally restricted net assets (Note 8)	**1,054,782**	1,054,782
Invested in tangible capital assets	**(681,331)**	(786,306)
	1,636,717	1,166,622
	$ 12,001,822	$ 11,872,853

APPROVED ON BEHALF OF THE BOARD:

Director

Director

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

	2025 Budget	**2025 Actual**	2024 Actual
REVENUE			
Accommodation	$ 1,816,905	**$ 1,844,084**	$ 1,768,732
Grants	426,502	**541,221**	487,698
Recoveries	162,811	**171,130**	164,120
Interest	97,198	**70,585**	100,291
	2,503,416	**2,627,020**	2,520,841
EXPENSES			
Wages and benefits	2,035,000	**1,702,056**	1,591,764
Food and kitchen supplies	436,666	**435,615**	416,342
Interest on long-term debt	210,056	**205,785**	220,140
Utilities	197,567	**182,863**	186,490
Administration management	175,500	**175,500**	175,500
Building and ground maintenance	138,481	**124,000**	74,380
Cleaning supplies and services	51,590	**40,256**	37,316
General administration	60,923	**38,607**	42,149
Insurance	33,706	**32,316**	32,040
Telephone	14,804	**16,519**	14,906
Conference and travel	6,271	**13,024**	7,265
Professional fees	14,360	**11,500**	11,000
Equipment purchase and repairs	6,398	**2,971**	565
	3,381,322	**2,981,012**	2,809,857
DEFICIT BEFORE OTHER ITEMS	(877,906)	**(353,992)**	(289,016)
OTHER ITEMS			
Municipal requisitions (Note 10)	975,000	**975,000**	975,000
Amortization of deferred capital contributions	208,071	**208,071**	208,071
Amortization of tangible capital assets	(357,056)	**(358,984)**	(357,056)
ANNUAL SURPLUS (DEFICIT)	$ (51,891)	**$ 470,095**	$ 536,999

WETASKIWIN 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 8)	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 898,146	$ (786,306)	$ 1,054,782	**$ 1,166,622**	$ 629,623
Annual surplus	470,095	-	-	**470,095**	536,999
Tangible capital asset purchases	(95,080)	95,080	-	-	-
Amortization of tangible capital assets	358,984	(358,984)	-	-	-
Amortization of deferred contributions	(208,071)	208,071	-	-	-
Capital contributions (Note 7)	172,800	(172,800)	-	-	-
Repayment of long-term debt	(333,608)	333,608	-	-	-
NET ASSETS - END OF YEAR	**$ 1,263,266**	**$ (681,331)**	**$ 1,054,782**	**$ 1,636,717**	$ 1,166,622

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

	2025	2024
OPERATING ACTIVITIES		
Annual surplus	**$ 470,095**	$ 536,999
Items not affecting cash:		
Amortization of tangible capital assets	**358,984**	357,056
Amortization of deferred contributions	**(208,071)**	(208,071)
	621,008	685,984
Change in non-cash working capital		
Accounts receivable	**(165,014)**	51,213
Prepaid expense and deposits	**12,018**	1,355
Accounts payable and accrued liabilities	**27,753**	(19,883)
	(125,243)	32,685
Cash flow from operating activities	**495,765**	718,669
INVESTING ACTIVITIES		
Purchase of tangible capital assets	**(95,080)**	-
Cash flow from (used by) investing activities	**(95,080)**	-
FINANCING ACTIVITIES		
Capital contributions received	**172,800**	-
Repayment of long-term debt	**(333,608)**	(319,435)
Cash flow from (used by) financing activities	**(160,808)**	(319,435)
INCREASE IN CASH FLOW	**239,877**	399,234
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**2,298,873**	1,899,639
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 2,538,750**	$ 2,298,873

NATURE OF OPERATIONS

The Wetaskiwin and Area Lodge Authority was established by Ministerial Order, pursuant to the Alberta Housing Act. It is responsible for the operation and administration of Peace Hills Lodge in Wetaskiwin, Alberta and West Pine Lodge in Winfield, 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:

Land improvements	10 years, Straight-line method
Buildings	40 years, Straight-line method
Equipment	3 to 10 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 8). 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 and long-term debt.

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 accounts	$ 2,538,600	$ 2,298,573
Petty cash	150	300
	$ 2,538,750	$ 2,298,873

The Board has internally restricted $1,054,782 (2024 - $1,054,782) of cash as reserves for future major maintenance repairs and upgrades to the lodges as indicated in Note 8.

3. ACCOUNTS RECEIVABLE

	2025	2024
Grant receivable	$ 172,800	$ -
GST recoverable	32,258	24,813
Resident and tenant receivables	-	15,231
	$ 205,058	$ 40,044

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Land	$ 175,000	$ -	$ 175,000	$ 175,000
Land improvements	1,302,840	1,302,840	-	-
Buildings	15,154,325	6,205,162	8,949,163	9,302,164
Equipment	1,064,541	965,406	99,135	10,038
	$ 17,696,706	$ 8,473,408	$ 9,223,298	$ 9,487,202

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Due to Bethany Nursing Home of Camrose, Alberta	$ 188,286	$ 213,706
Accrued liabilities	171,942	72,442
Accrued interest on long-term debt	58,052	62,322
Trade payables	42,196	84,253
	$ 460,476	$ 432,723

6. LONG-TERM DEBT

	2025	2024
County of Wetaskiwin loan bearing interest at 4.389%, repayable in semi-annually blended payments of $271,832, maturing in 2036.	**$ 4,534,849**	$ 4,868,457
Amounts payable within one year	**(348,411)**	(333,609)
	$ 4,186,438	$ 4,534,848

Principal repayments are due as follows:

2026	$ 348,411
2027	363,871
2028	380,016
2029	396,878
2030	414,489
Thereafter	2,631,184
	$ 4,534,849

Security pledged consists of collateral mortgage over land with a carrying value of $175,000 (2024 - $175,000), a general security agreement covering all present and after acquired personal property, and an assignment of rents and leases.

7. DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets represent restricted contributions with which some of the tangible capital assets were purchased. The changes in the deferred contributions balance or the year are as follows:

	2025	2024
BALANCE, BEGINNING OF YEAR	**$ 5,405,051**	$ 5,613,122
Capital contributions received	**172,800**	-
Amortization of deferral capital contributions	**(208,071)**	(208,071)
BALANCE, END OF YEAR	**$ 5,369,780**	$ 5,405,051

8. INTERNALLY RESTRICTED NET ASSETS

Internally restricted funds are not available for unrestricted purposes without the approval of the Authority's Board of Directors. Funds are restricted for resident life enhancement purposes and major capital projects.

9. 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 $175,500 for administrative support to Bethany Nursing Home of Camrose, Alberta for the year ended December 31, 2025 (2024 - $175,500).

As at December 31, 2025, the amount payable to The Bethany Nursing Home of Camrose, Alberta is $188,286 (2024 - $213,706).

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.

10. MUNICIPAL REQUISITIONS

	2025	2024
County of Wetaskiwin	$ 633,165	$ 629,558
City of Wetaskiwin	291,720	296,302
Town of Millet	50,115	49,140
	$ 975,000	$ 975,000

11. 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 and long-term debt.

WETASKIWIN AND AREA LODGE AUTHORITY
STATEMENT OF OPERATIONS - PEACE HILLS LODGE *Schedule* 1
DECEMBER 31, 2025

	2025 Budget	**2025 Actual**	2024 Actual
REVENUE			
Accommodation	$ 1,601,936	**$ 1,597,898**	$ 1,530,842
Grants	366,642	**439,460**	405,165
Recoveries	161,464	**167,485**	162,606
Interest	97,198	**70,585**	100,291
	2,227,240	**2,275,428**	2,198,904
EXPENSES			
Wages and benefits	1,473,119	**1,169,867**	1,131,472
Food and kitchen supplies	380,515	**373,594**	355,696
Interest on long term-debt	210,056	**205,785**	220,140
Administration management	118,500	**118,500**	118,500
Utilities	122,348	**117,297**	117,767
Building and ground maintenance	99,734	**60,785**	51,769
General administration	52,222	**28,263**	35,749
Cleaning supplies and services	44,367	**35,042**	32,567
Insurance	31,857	**30,575**	30,285
Telephone	9,612	**10,920**	9,781
Professional fees	10,052	**8,050**	7,700
Conference and travel	4,268	**7,829**	4,503
Equipment purchase and repairs	6,398	**2,971**	565
	2,563,048	**2,169,478**	2,116,494
SURPLUS (DEFICIT) BEFORE OTHER ITEMS	(335,808)	**105,950**	82,410
OTHER ITEMS			
Municipal requisitions (Note 10)	648,519	**648,519**	648,519
Amortization of deferred capital contributions	208,071	**208,071**	208,071
Amortization on tangible capital assets	(357,056)	**(358,984)**	(357,056)
ANNUAL SURPLUS	$ 163,726	**$ 603,556**	$ 581,944

WETASKIWIN AND AREA LODGE AUTHORITY
STATEMENT OF OPERATIONS - WEST PINE LODGE
DECEMBER 31, 2025

Schedule 2

	2025 Budget	**2025 Actual**	2024 Actual
REVENUE			
Accommodation	$ 214,969	**$ 246,186**	$ 237,890
Grants	59,860	**101,761**	82,533
Recoveries	1,347	**3,645**	1,514
	276,176	**351,592**	321,937
EXPENSES			
Wages and benefits	561,881	**532,189**	460,292
Utilities	75,219	**65,566**	68,723
Building and ground maintenance	38,747	**63,215**	22,611
Food and kitchen supplies	56,151	**62,021**	60,646
Administration management	57,000	**57,000**	57,000
General administration	8,701	**10,344**	6,400
Telephone	5,192	**5,599**	5,125
Cleaning supplies and services	7,223	**5,214**	4,749
Conference and travel	2,003	**5,195**	2,762
Professional fees	4,308	**3,450**	3,300
Insurance	1,849	**1,741**	1,755
	818,274	**811,534**	693,363
DEFICIT BEFORE OTHER ITEMS	(542,098)	**(459,942)**	(371,426)
OTHER ITEMS			
Municipal requisitions (Note 10)	326,481	**326,481**	326,481
ANNUAL SURPLUS (DEFICIT)	$ (215,617)	**$ (133,461)**	$ (44,945)