

2024

# Annual Report

**ahla** || ALBERTA HOTEL &  
LODGING ASSOCIATION

# Executive Summary

**2024 compelled us to demonstrate the strength and resilience that defines Alberta's hotel industry.**

Connecting with our members is at the heart of everything the AHLA does. This work is the highest-value use of our time and resources. Strong relationships with our members help us understand your challenges, priorities and opportunities so that we can respond effectively. The more engaged our members are, the better we can advocate, support and deliver programs that drive real impact.

When wildfires struck Jasper, our members didn't hesitate to ask how they could help. The AHLA team worked closely with government officials to ensure our members had early access to their properties, that displaced workers were supported, and that policy decisions were informed by those on the ground. These efforts exemplify the power of a united industry, and our work in Jasper will continue as those members rebuild.



## Advocacy Milestones

2024 marked important advocacy milestones for the AHLA.

Working alongside the Government of Alberta on the launch of its Tourism Strategy, we helped shape upcoming regulations for **Destination Marketing Fee** and achieved a long-sought victory when the Government of Alberta announced the **creation of a provincial Tourism and Hospitality Immigration Stream**.

Following several years of dedicated effort, we have secured a path forward on **modernizing Alberta's VLT network** we have secured a path forward to modernizing Alberta's VLT network and gaining an increase in commissions to help our members prosper.

We proudly launched the **Not In Our Hotel** human trafficking prevention training, developed in partnership with provincial hotel associations from British Columbia to Ontario.

**Each of these achievements reflects the AHLA's commitment to supporting our members and shaping a stronger future for our industry.**



## Executive Summary continued

### Our strength comes from working together.

With more members than ever using *TourismWorks* training, introduction of the Canadian Hospitality Health Plan, and over \$135,000 raised to support our campaign for fair, short-term rental regulations, we are building momentum.

I thank our Board of Directors for their vision and leadership, and our partners—the Hotel Association of Canada, fellow hotel associations and the Tourism Industry Association of Alberta and the Government of Alberta—for their collaboration. Together, we are creating real, lasting change.



*The AHLA is stronger than ever—and we're just getting started.*

# Strategic Plan

Based on the political, social and economic conditions the AHLA and our members operate in, the AHLA's Board of Directors developed a new strategic plan to guide the association from 2024 – 2027. That strategy is based on these objectives:



Advocacy  
That Helps  
Our Members  
Prosper



A Skilled  
Workforce  
for Alberta  
Hotels



Alberta Hotels  
are Equipped  
for Emerging  
Realities



Bring Together  
Alberta Hotels &  
Amplify Value for  
Members



AHLA is a  
High-Performance  
Association

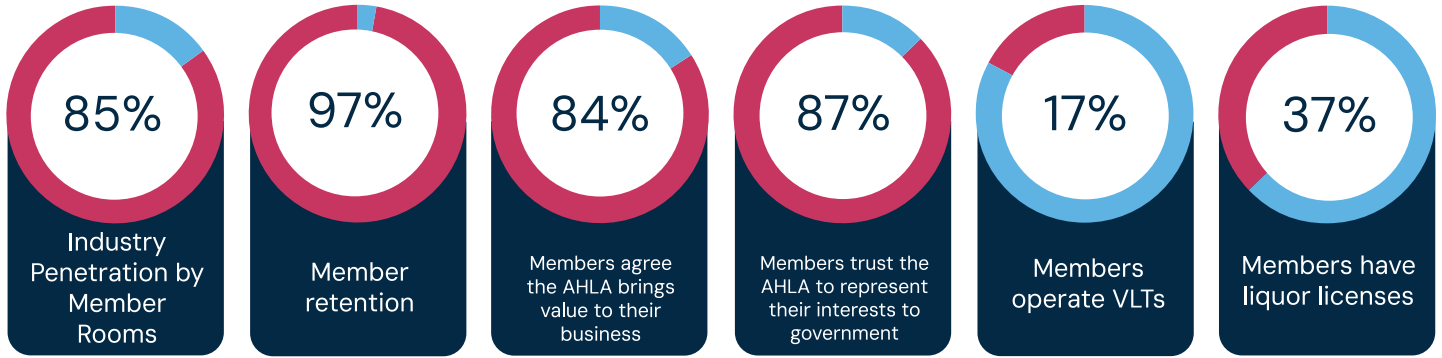
## AHLA Services Corporation

These are further supported by the AHLA Services Corporation's objectives of:

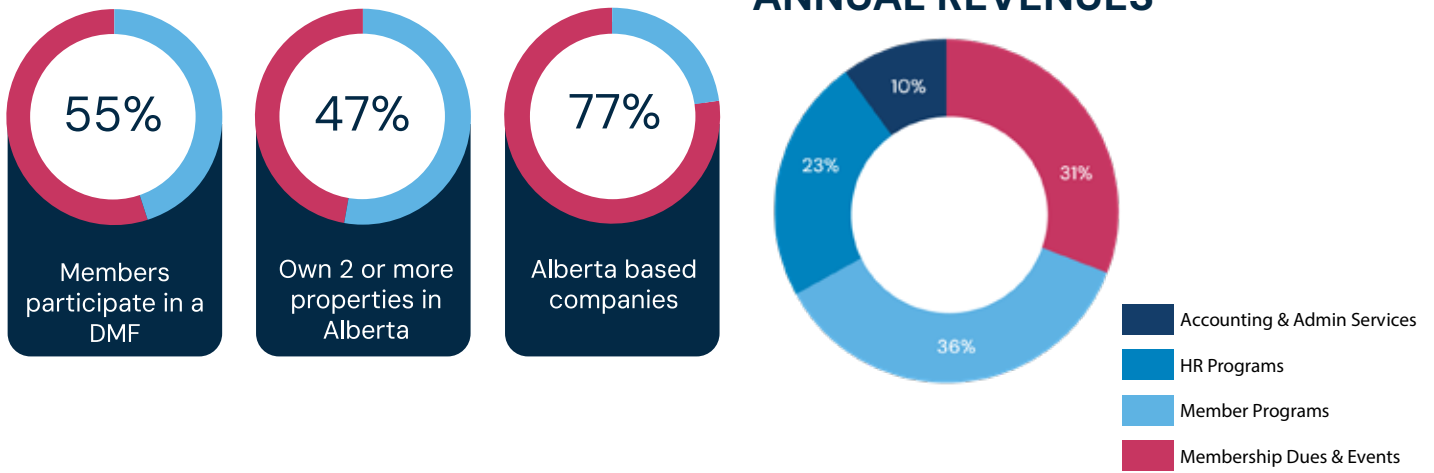
1. Delivering value to members through our power, natural gas, insurance, and employee benefits programs.
2. Efficient & effective delivery of administrative & accounting services to our client companies.

**Our strategic plan guides us as we embrace the challenges and opportunities ahead.**

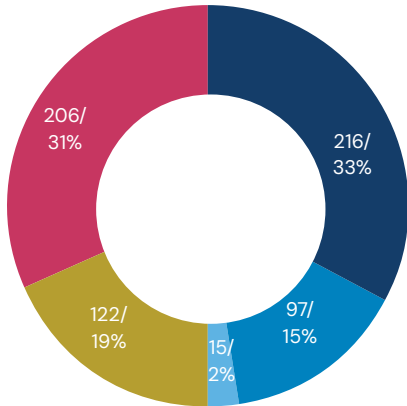
# State of the AHLA



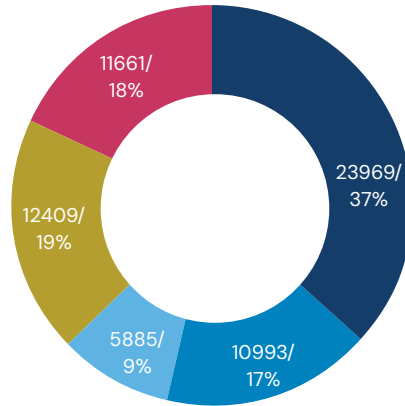
## ANNUAL REVENUES



## MEMBER HOTELS: 663



## NUMBER OF GUEST ROOMS: 65,292



# Top Issues for AHLA Members in 2024



## State of Alberta's Hotel Industry: 2024

Region	Occupancy	Average Daily Rate	Revenue Per Available Room
Alberta North Area	50.6%	\$167.89	\$84.96
Alberta Central Area	54.5%	\$138.75	\$75.55
Alberta South Area	59.8%	\$129.92	\$77.64
Banff	65.6%	\$410.37	\$269.28
Calgary Airport	67.3%	\$153.39	\$103.18
Calgary Downtown	63.1%	\$228.29	\$144.04
Calgary Surrounding	64.7%	\$151.04	\$97.64
Edmonton City Centre	54.9%	\$196.48	\$107.91
Edmonton Airport	63.2%	\$121.69	\$76.96
Edmonton Surrounding	59.1%	\$139.89	\$82.71
Fort McMurray	48.9%	\$155.93	\$76.31
Grande Prairie & Fox Creek Area	62.9%	\$148.92	\$93.64
Red Deer	53.6%	\$127.19	\$68.13

Source: Smith Travel Research Inc. (STR). Replication or other re-use of this data without the express written permission of STR is strictly prohibited. Occupancy rates and average daily room rates are based on monthly averages of all reporting hotels, motels and motor hotels in each designated region. Revenue per available room is calculated using the occupancy rate and average daily room rate.

We are pleased to share the results of the work of your association from 2024, and we look forward to serving you in 2025 and beyond.

# Strategic Objectives

The AHLA's strategic objectives were developed by the board based on input from our members. They provide clear direction on what we must do to help our members prosper.

## Strategic Objective 1: ADVOCACY THAT HELPS OUR MEMBERS PROSPER

In 2024, the AHLA's advocacy efforts made a significant impact on Alberta's hospitality industry, addressing critical challenges and driving meaningful change for our members. Early in the year, the Government of Alberta announced its long awaited Tourism Strategy. AHLA was in Jasper for the announcement, and has been working closely with the Ministry of Tourism & Sport as it works towards the goal of \$25 billion in tourism revenue by 2035.

### Supporting Jasper During the Wildfires

When wildfires ravaged Jasper, the AHLA stood firmly with our members, providing unwavering support during a time of crisis. We worked tirelessly to secure vital resources from all levels of government, including:

- Gained early access for businesses to assess property damage, and helped to expedite demolition permits to jumpstart recovery efforts.
- Arranged meetings with Premier Danielle Smith, Minister Joseph Schow, Minister Martin Long, Minister Ric McIver, and our Jasper members, ensuring the provincial government understood the short, medium and long-term impacts the wildfire had on Jasper's accommodation providers.
- Worked with the provincial government to ensure displaced workers had adequate supports and housing until they were able to return.
- In collaboration with the Tourism Industry Association of Alberta (TIAA), we successfully lobbied the federal government to grant Jasper businesses access to the Work-Share Program.



## Destination Marketing Fee Governance

As the province prepares to introduce new regulations for Destination Marketing Fee (DMF) and DMOs, the AHLA has leveraged its long-standing expertise and credibility on this issue to advocate for rules that preserve flexibility and local autonomy while assuring accountability and transparency. With a history as trustee for some of Alberta's largest DMFs and the development of our industry-leading *Recommendations on the Governance & Administration of DMFs*, we bring deep knowledge and direct experience to the conversation. Through extensive consultations with DMFs across Alberta, we have gathered key insights to ensure our members' interests are represented in upcoming legislation. By engaging directly with government decision-makers, we are at the table to shape a fair, transparent framework that protects local businesses, upholds accountability, and strengthens Alberta's tourism economy.

## Tourism and Hospitality Immigration Stream

Thanks to our persistent advocacy, the provincial government introduced the Tourism and Hospitality Immigration Stream in 2024, creating a vital pathway to address labor shortages and retain skilled workers in Alberta's hospitality sector. To maintain the integrity of this program, participation is limited to AHLA members in good standing. We are committed to ensuring that all participants uphold the highest standards, reinforcing the credibility and long-term success of this initiative.

## A Positive Regulatory Environment for Alberta Hotels

Meetings with elected officials and decision makers provided valuable opportunities to directly address concerns and advocate for regulations around short-term rentals and VLT commissions.

While there is more work to do, these achievements underscore the power of our united efforts and the impact of our advocacy on shaping policies to help members prosper.

The effort you and your team are putting towards supporting our Alberta hotels is truly invaluable and does not go unnoticed.

**Mathew Adebogun**

Microtel Inn & Suites by Wyndham Lloydminster & Bonnyville



## Strategic Objective 2: A SKILLED WORKFORCE FOR ALBERTA HOTELS

### Building a Skilled Workforce

In 2024, the AHLA took significant steps to elevate HR practices across Alberta's hospitality sector, supported by a Workforce Partnerships grant from the Government of Alberta. This initiative is driving the development of new programs and resources to strengthen recruitment, retention, and workplace excellence in hotels.

To support the next generation of hospitality professionals, AHLA promoted student work placements through partnerships with Prospect Human Services, Careers Next Generation, and Olds College, helping to bridge the gap between education and industry experience.

*AHLA laid the foundation for a new designation for hotels, defining standards for human resources, health & safety, and loss prevention & risk management practices, setting a higher standard for operational excellence across the sector.*

### 2024 Wage & Benefits Survey

AHLA conducted the 2024 Wage & Benefits Survey with funding from Travel Alberta. With 233 hotels, motels and inns representing 37% of member rooms participating, findings included:

- *Staffing needs are highest in July – September.*
- *Housekeeping continues to be the hardest occupation to fill, and has the highest turnover rate.*
- *Only 20% of respondents indicated a need for more staff in 2025, down from 45% in 2023.*
- *Front-line average hourly wages increased slightly:*

*Front Desk Agent: \$17.71/hr*

*Housekeeping Room Attendant: \$17.62/hr*

*Food & Beverage Server: \$15.90/hr*



TourismWorks has proven an easily accessible and relatively inexpensive training platform for our large (multi-hotel) workforce, which includes a large number of seasonal workers, other transient workers and foreign workers.

Jim Martin  
Pursuit Collection



## Health & Safety

As the official health & safety association for hotels and convention centres, the AHLA's programming encourages and supports a culture of health & safety in properties around Alberta.

*We are proud to serve nearly 1000 safety subscribers representing almost 80,000 guest rooms in every corner of the province.*

Here are some of the highlights of the year:

- Launched the **Ideal Team Training subscription**, providing **unlimited annual access to e-learning courses in TourismWorks.ca to employees at 106 hotels.**
- With unlimited access through Ideal Team Training there was **a 350% growth in the number of hotel learners** in TourismWorks.ca to **more than 8,000 hotel learners.**
  - The most attended e-learning course continues to be WHMIS. However, more learners have been taking additional courses with the average being approximately 2 per learner.
- New **Skill Up training videos**, a series of **online, micro-lessons for supervisors and leaders in hotels** were released. Topics included:
  - *Navigating Neurodiversity in the Hotel Workplace*
  - *Leading with Mental Health in Mind*
  - *Disrupting Bias in the Workplace*
- Hosted **webinars in partnership with WCB** to help hotels **address psychological injuries, return to work, cost relief and appeals**, and take advantage of the features of the myWCB Portal. Over 30 properties were represented at each webinar.
- The launch of **monthly Safety Talks for health & safety leaders** in hotels to address with their staff. Topics included:
  - *Working Alone*
  - *Harassment and Bullying*
  - *Emergency Drills*
  - *Working in Extreme Heat*
  - *Preventing Repetitive Strain Injuries for Housekeepers*



## Strategic Objective 3:

# ALBERTA HOTELS ARE EQUIPPED TO MANAGE EMERGING REALITIES

In 2024, the AHLA identified several challenges to hotels operating in an increasingly complex and ever-changing environment. Priorities for 2024 included emergency preparedness and human trafficking.



### Human Trafficking Prevention

Partnered with provincial hotel associations in British Columbia, Saskatchewan, Manitoba, and Ontario to develop Not In Our Hotel, a human trafficking awareness training program designed to:

- Increase awareness of human trafficking among hoteliers.
- Educate hotels, motels, and other accommodation providers on their role in preventing trafficking, with a focus on both sexual exploitation and forced labor.
- Equip hotel owners and managers with the tools to train staff on recognizing, preventing, and responding to potential trafficking situations.
- Reinforce the hospitality industry's commitment to combating human trafficking by taking proactive measures to prevent it in our businesses.

Western Financial Group and Crime Stoppers contributed to this project and have committed ongoing support to amplify the messaging throughout the five provinces.

### Emergency Response Planning

Provided critical resources to support hotels responding to local emergencies, including checklists to assist properties in evacuation situations and business continuity planning.

Customized the OHS Emergency Response Planning Toolkit specifically for hotels, refreshing the brand and ensuring industry-specific guidance.

Hosted a webinar to help hotels effectively implement emergency response plans and improve preparedness.



## Emergency response planning:

an occupational health & safety toolkit for the hospitality industry

**ahla** ALBERTA HOTEL & LODGING ASSOCIATION

**Tourism Works**.ca

## Canadian Hospitality Health Plan

In its inaugural year, the Canadian Hospitality Health Plan (CHHP) has achieved remarkable success, solidifying its place as a game-changer for Alberta's hospitality industry.

With endorsements from major brands like Best Western Hotels and participation from hotels across the province, CHHP has quickly become a trusted solution for member-owned health benefits.

Designed to provide stability in a climate of rising costs, CHHP gives hotels greater control over their benefits program while supporting the well-being of employees—helping to attract and retain top talent and strengthen Alberta's hospitality workforce for the future.



## Strategic Objective 4:

### BRING TOGETHER ALBERTA HOTELS & AMPLIFY OUR VALUE

The efforts we have made over the last few years to foster strong relations with our members, including multi-property ownership groups, have paid off in strong member retention, increased program participation, event attendance, and engagement in advocacy. Maintaining a relentless focus on staying close to our members is critical to the AHLA's ongoing success.

#### Owners' Forum

The AHLA Owners' Forum is one of the most impactful ways we connect directly with hotel owners to shape the future of Alberta's hospitality industry. These sessions allow us to listen, align, and ensure our strategies reflect the real-world challenges and priorities of our members. In 2024, we hosted two Forums, each attended by owners representing more than 15% of our total membership—proof of their value and importance. These conversations are critical to guiding our advocacy, programs, and priorities, and represent the highest value work we do as an association.

#### Quarterly Insight

Our members-only webinars have been a key way to connect directly with members, ensuring AHLA's advocacy and initiatives align with their needs. With an average 10% of member properties attending, these sessions provide updates on industry challenges, AHLA's response, and cost-saving programs. Insights from these discussions directly shape our strategy, making member engagement one of the most valuable ways we strengthen our connection to our members.

**We believe that an association-owned health plan offers greater stability and competitiveness compared to traditional insurance and benefit programs. With the rising costs of insurance in recent years, having more control over our health and benefits program is a welcome change. We're excited to see how this program evolves and the long-term value it will bring!**

Shona Karas,  
Avonos Hotels

## Ascend

Ascend is the must-attend event for hotel leaders, owners, and investors looking to connect, collaborate, and stay ahead of the latest industry trends. Through expert analysis and forward-thinking discussions, attendees gained valuable insights into the political, economic and technological forces that impact their business.

Ascend included a working session where members were invited to discuss topics such as:

- cybersecurity,
- sustainability,
- online travel agencies,
- safety & security and
- emergency preparedness.

Industry leaders and experts delivered high-impact presentations, featuring Travel Alberta, CBRE, the Hotel Association of Canada, and Alberta's Chief Economist. This year's event reaffirmed Ascend's role as a key platform for knowledge-sharing and strategic industry discussions.

*Ascend 2024 was held at the Fairmont Palliser in Calgary, drawing record attendance, with 188 hotels representing 28% of AHLA members.*

**Kudos to you and your team for hosting a fabulous Ascend. The conversation was rich, and I love how you allowed expanded time for connections and networking. Well done, and thank you for your fantastic leadership.**

AHLA MEMBER



## Strategic Objective 5: AHLA IS A HIGH-PERFORMANCE ORGANIZATION

The Board of Directors needs to be the highest performing team of the organization, helping to build and hone strategy that serves our core focus – bringing together Alberta hotels to help our members prosper. To support this the Boards of the AHLA and its subsidiary, the AHLA Services Corporation, take an intentional approach to their own self-governance, including director recruitment, onboarding, and evaluation.

The AHLA has deployed industry-leading security tools and programs to protect its network and users, recognizing the critical importance of protecting devices, services and data from malicious attacks.

We continue to refine our Association Management System to better manage our robust data. As part of these improvements, we successfully launched a new member portal, providing a more user-friendly way for members to access resources, update information, and engage with AHLA.

These enhancements reflect our commitment to modernizing our systems and delivering greater value to our members.

*Continuous efforts to upgrade hardware and software, and to engage users in cybersecurity awareness training are also key to staying on top of potential threats or data breaches.*



As a board member, I have developed a deeper appreciation for the critical work AHLA does and the value it provides to its members in advancing our collective success.


My greatest satisfaction comes from gaining new perspectives on the industry, engaging in in-depth discussions about the challenges we face, and aligning on strategic direction.

AHLA Director,  
Board of Directors



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LODGING ASSOCIATION

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**Alberta Hotel & Lodging Association**  
**Consolidated Financial Statements**  
*December 31, 2024*

To the Members of Alberta Hotel & Lodging Association:

## Opinion

We have audited the consolidated financial statements of Alberta Hotel & Lodging Association and its subsidiary (the "Association"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of revenue and expenses, changes in surplus and 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 Association as at December 31, 2024, and the results of its consolidated operations and its consolidated 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 Association 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 the 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Association as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Edmonton, Alberta

April 14, 2025

*MNP LLP*

Chartered Professional Accountants

**MNP**

# Alberta Hotel & Lodging Association

## Consolidated Statement of Financial Position

*As at December 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents <i>(Note 3)</i>	2,195,868	2,971,546
Marketable securities <i>(Note 4)</i>	1,036,589	-
Trading investments <i>(Note 5)</i>	681,040	642,100
Accounts receivable and prepaid expenses <i>(Note 6)</i>	399,720	341,181
Income taxes recoverable	-	1,023
	<b>4,313,217</b>	<b>3,955,850</b>
<b>Other assets</b> <i>(Note 7)</i>	<b>31,959</b>	<b>50,144</b>
<b>Capital assets</b> <i>(Note 8)</i>	<b>2,896,151</b>	<b>2,965,006</b>
<b>Intangible assets</b> <i>(Note 9)</i>	<b>126,106</b>	<b>247,626</b>
	<b>7,367,433</b>	<b>7,218,626</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>(Note 11)</i>	264,472	261,250
Deferred revenue <i>(Note 12)</i>	546,098	825,901
Income taxes payable	9,045	-
	<b>819,615</b>	<b>1,087,151</b>
<b>Surplus</b>		
Safety <i>(Note 13)</i>	713,491	820,286
Unrestricted <i>(Note 13)</i>	2,211,341	1,754,960
Capital investment <i>(Note 13)</i>	2,981,643	3,131,229
Internally restricted <i>(Note 13)</i>	641,343	425,000
	<b>6,547,818</b>	<b>6,131,475</b>
	<b>7,367,433</b>	<b>7,218,626</b>

**Approved on behalf of the Board**

*signed by "Joel Hollingsworth"*

**Director**

*signed by "Joumana Ghandour"*

**Director**

*The accompanying notes are an integral part of these consolidated financial statements*

# Alberta Hotel & Lodging Association

## Consolidated Statement of Revenue and Expenses

*For the year ended December 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Member Value Programs</b> <i>(Schedule 1)</i>		
Revenue	1,046,496	1,031,198
Expenses	26,756	117,750
Excess of revenue over expenses	1,019,740	913,448
<b>Human Resource &amp; Safety Programs</b> <i>(Schedule 1)</i>		
Revenue	661,897	485,571
Expenses	783,816	613,211
Deficiency of revenue over expenses	(121,919)	(127,640)
<b>Membership Communications</b> <i>(Schedule 1)</i>		
Revenue	885,463	808,161
Expenses	380,989	371,556
Excess of revenue over expenses	504,474	436,605
<b>Government Advocacy &amp; Industry Relations</b> <i>(Schedule 1)</i>		
Revenue	2,500	5,908
Expenses	166,415	139,184
Deficiency of revenue over expenses	(163,915)	(133,276)
<b>Excess of revenue over expenses of segments</b>	<b>1,238,380</b>	<b>1,089,137</b>
<b>Other income</b> <i>(Schedule 1), (Note 14)</i>	<b>629,229</b>	<b>540,446</b>
<b>General expenses</b> <i>(Schedule 1)</i>	<b>(1,440,446)</b>	<b>(1,365,597)</b>
<b>Other expense</b> <i>(Schedule 1)</i>	<b>(10,820)</b>	<b>(4,136)</b>
<b>Excess of revenue over expenses for the year</b>	<b>416,343</b>	<b>259,850</b>
<b>Total revenue</b>	<b>2,596,356</b>	<b>2,330,838</b>
<b>Total expenses</b>	<b>(1,357,976)</b>	<b>(1,241,701)</b>
<b>Other income</b> <i>(Note 14)</i>	<b>629,229</b>	<b>540,446</b>
<b>General expenses</b> <i>(Schedule 1)</i>	<b>(1,440,446)</b>	<b>(1,365,597)</b>
<b>Other expense</b> <i>(Schedule 1)</i>	<b>(10,820)</b>	<b>(4,136)</b>
<b>Excess of revenue over expenses for the year</b>	<b>416,343</b>	<b>259,850</b>

The accompanying notes are an integral part of these consolidated financial statements

## Alberta Hotel & Lodging Association Consolidated Statement of Changes in Surplus

*For the year ended December 31, 2024*

					2024	2023
	<i>Safety</i>	<i>Unrestricted</i>	<i>Surplus invested in capital and intangible assets</i>	<i>Internally restricted</i>		
<b>Surplus, beginning of year</b>	<b>820,286</b>	<b>1,754,960</b>	<b>3,131,229</b>	<b>425,000</b>	<b>6,131,475</b>	5,871,625
<b>Excess (deficiency) of revenue over expenses</b>	<b>(106,795)</b>	<b>693,754</b>	<b>(170,616)</b>	-	<b>416,343</b>	259,850
<b>Purchases of capital assets</b>	-	<b>(21,030)</b>	<b>21,030</b>	-	-	-
<b>Interfund transfers</b>	-	<b>(216,343)</b>	-	<b>216,343</b>	-	-
<b>Surplus, end of year</b>	<b>713,491</b>	<b>2,211,341</b>	<b>2,981,643</b>	<b>641,343</b>	<b>6,547,818</b>	6,131,475

*The accompanying notes are an integral part of these consolidated financial statements*

## Alberta Hotel & Lodging Association Consolidated Statement of Cash Flows

*For the year ended December 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	<b>416,343</b>	259,850
Amortization of capital, intangible and other assets	<b>229,590</b>	232,395
Reinvested investment income, net (Note 4)	<b>(38,940)</b>	(33,625)
Loss on disposal of capital assets	-	1,761
	<b>606,993</b>	460,381
Changes in working capital accounts		
Accounts receivable and prepaid expenses	<b>(58,539)</b>	(28,014)
Accounts payable and accrued liabilities	<b>3,222</b>	(74,773)
Deferred revenue	<b>(279,803)</b>	157,427
Income taxes payable/recoverable	<b>10,068</b>	27,191
	<b>281,941</b>	542,212
<b>Investing</b>		
Purchase of marketable securities	<b>(1,036,589)</b>	-
Purchase of capital assets	<b>(21,030)</b>	(8,178)
Purchase of intangible assets	-	(96,405)
	<b>(1,057,619)</b>	(104,583)
<b>Increase (decrease) in cash resources</b>	<b>(775,678)</b>	437,629
<b>Cash resources, beginning of year</b>	<b>2,971,546</b>	2,533,917
<b>Cash resources, end of year</b>	<b>2,195,868</b>	2,971,546

*The accompanying notes are an integral part of these consolidated financial statements*

# Alberta Hotel & Lodging Association

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

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### 1. Incorporation and nature of the association

Alberta Hotel & Lodging Association (the "Association") is registered as a not-for-profit organization under the Societies Act of Alberta and is exempt from income taxes under Section 149 of the Income Tax Act. The consolidated financial statements include Alberta Hotel & Lodging Association and its wholly-owned subsidiary AHLA Services Corporation (collectively the "Association"). Assets, liabilities, revenues and expenses of the subsidiary have been consolidated. All inter-company transactions and balances with subsidiary have been eliminated.

The Association is a voluntary association, established in 1919, that serves Alberta's tourism and hospitality industry. With approximately 663 member properties across Alberta, the Association represents hotels, motels, inns, resorts and lodges.

The Association has a common director with the Canadian Hotel and Lodging Association Inc. (CHLA). The CHLA is registered as a not-for-profit organization under the Canada Corporations' Act – Part II and is exempt from income taxes under Section 149 of the Income Tax Act. The CHLA was established in 2009, to fund, facilitate, promote and carry out activities and programs for the advancement of the hospitality industry in Canada.

### 2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Handbook.

#### ***Investment in a profit-oriented subsidiary***

The Association's consolidated financial statements include the accounts of its wholly-owned subsidiary, AHLA Services Corporation. Consolidated financial statements are prepared by aggregating the accounts of AHLA Services Corporation with those of the Association. Transactions between the organizations and inter-organization balances have been eliminated in the consolidated financial statements.

#### ***Restricted surplus***

The Association follows the deferral method of accounting for contributions and in addition to its unrestricted operating surplus from program delivery and administrative activities, the following surplus reserves are maintained: safety, invested in capital and intangible assets and internally restricted reserves.

The invested in capital and intangible assets surplus reports the Association's assets, liabilities, revenue and expenses related to Alberta Hotel & Lodging Association's capital and intangible assets.

Safety surplus reports the Association's accumulated surplus related to integrated health & safety resources and training, including the initial surplus transferred from Alberta Hospitality Safety Association.

Internally restricted reserves are established by the Association's Board of Directors to restrict resources for specific purposes. Current reserves include:

- Capital reserve to be utilized for future significant capital projects or replacement;
- Program development reserve to be used for program expansion or new program development; and
- Operating reserve to provide for future unforeseen operational expenditures.

#### ***Revenue recognition***

The Association follows the deferral method of accounting, which results in the following:

Sales are recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Advances received for services to be rendered by the Association are deferred and recognized in the statement of revenue and expenses in the period in which the service is provided.

Rental revenue from leases is recognized on a straight-line basis over the lease term.

Revenue from guide and internet advertising is recognized when the information for publication is available for distribution.

Net investment and other income are recognized in the period in which it was earned.

Government assistance received for current expenses is recognized in revenue in the current period. Government assistance received for expenses of future periods is deferred and amortized to income as related expenses are incurred.

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**Alberta Hotel & Lodging Association**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2024*

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2. **Significant accounting policies** (Continued from previous page)

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short-term investments with maturities of three months or less.

**Other assets**

Other assets consist of lease inducements related to tenant improvements and direct costs associated with the lease agreement. These costs are amortized on a straight-line basis over five years, which is the term of the lease.

**Capital assets**

Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Buildings	straight-line	40 years
Office furniture and fixtures	straight-line	10 years
Computer equipment	straight-line	3 years
Photocopiers	straight-line	5 years
Telephone system	straight-line	5 years
Other office equipment	straight-line	4 years

**Intangible assets**

All of the Association's intangible assets have limited useful lives and primarily include capitalized computer software.

Development costs that are directly associated with identifiable and unique software controlled by the Association are recorded as intangible assets if inflow of incremental economic benefits exceeding costs is probable. Capitalized costs include staff costs of the software development team, costs incurred on contracts with third party developers and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Intangible assets are amortized using the straight-line method over their useful lives.

Capitalized internal software development costs, software costs and website costs are amortized on a straight-line basis over three years. Capitalized program development costs are amortized on a straight-line basis over five years.

**Long-lived assets**

Long-lived assets consist of other assets, capital assets and intangible assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services. The asset is 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 Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

**Contributed materials**

Contributions of materials are recognized both as contributions and expenses in the statement of revenue and expenses when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased. No contributed materials (2023 - \$nil) were recorded in the year.

**Allocation of expenses**

The Association records a number of its expenses by program, including tourism marketing, member value programs, human resource development, membership communications, and government and industry relations. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing these services. Labour costs are allocated based on actual time spent as reported in approved timesheets.

The Association also incurs a number of general support expenses that are common to the administration of the Association and each of its pillars. General support expenses, which include Board of Directors, information technology, and office overhead costs, are included in general expenses.

**2. Significant accounting policies** *(Continued from previous page)*

***Financial instruments***

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Related party financial instruments**

The Association initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value.

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Association has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

**Financial asset impairment**

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses. The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

***Measurement uncertainty (use of estimates)***

The preparation of consolidated financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided if considered necessary. Amortization is based on the estimated useful lives of capital and intangible assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.



**Alberta Hotel & Lodging Association**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**3. Cash and cash equivalents**

	2024	2023
Cash in bank non-interest bearing accounts	449,970	406,555
Bank balances payable on demand - weighted average annual interest rate of 0.20% (2023 - 0.20%)	1,745,898	2,564,991
	2,195,868	2,971,546

**4. Marketable securities**

	2024	2023
Guaranteed investment certificate, maturing on March 27, 2025, interest rate of 4.90%	518,794	-
Guaranteed investment certificate, maturing on March 27, 2025, interest rate of 3.70%	517,795	-
	1,036,589	-

**5. Trading investments**

	2024	2023
Cash and cash equivalents - Canada	20,474	17,939
Fixed income - Canada	497,177	487,326
Fixed income - Accrued income	3,775	2,451
Equity - Canada	107,828	91,478
Equity - United States	25,306	20,085
Equity - International	26,480	22,821
	681,040	642,100

	2024	2023
<b>Change in investments</b>		
Investments, beginning of year	642,100	608,475
Reinvested interest income	19,363	18,587
Reinvested net gain (loss)	16,712	12,423
Reinvested dividend income	2,865	2,615
	681,040	642,100

None of the trading investments are pledged as collateral.

**6. Accounts receivable and prepaid expenses**

	2024	2023
Trade receivables	255,284	254,823
GST receivable	3,302	4,225
Prepaid expenses	89,134	57,133
Prepaid deposit	52,000	25,000
	399,720	341,181

**Alberta Hotel & Lodging Association**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**7. Other assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net</i>	<i>2023 Net</i>
Tenant improvements	145,203	113,244	31,959	50,144

For the year ended December 31, 2024, amortization of \$18,185 (2023 - \$18,185) was expensed relating to other assets.

**8. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>	<i>2023 Net book value</i>
Land	927,021	-	927,021	927,021
Buildings	3,128,444	1,179,304	1,949,140	2,027,353
Office furniture and fixtures	222,901	221,327	1,574	1,922
Computer equipment	95,271	86,334	8,937	6,814
Photocopiers	25,645	25,645	-	-
Telephone system	29,662	29,662	-	-
Other office equipment	32,464	22,985	9,479	1,896
	<b>4,461,408</b>	<b>1,565,257</b>	<b>2,896,151</b>	<b>2,965,006</b>

For the year ended December 31, 2024, amortization of \$89,885 (2023 - \$86,593) was expensed relating to capital assets.

**9. Intangible assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024</i>	<i>2023</i>
Websites	771,212	771,212	-	-
Program development costs	116,810	105,967	10,843	17,098
Software development costs	848,200	732,937	115,263	230,528
Software costs	75,207	75,207	-	-
	<b>1,811,429</b>	<b>1,685,323</b>	<b>126,106</b>	<b>247,626</b>

For the year ended December 31, 2024, amortization of \$121,520 (2023 - \$127,617) was expensed relating to intangible assets.

**10. Bank indebtedness**

The Association's credit facility with the Bank of Nova Scotia ("Scotiabank") has a global credit limit of \$1,500,000 including an operating line of credit with the bearing interest at prime plus 0.25%, authorized to a maximum of \$250,000 and a corporate VISA facility with a limit of \$12,000. As at December 31, 2024, the Association had drawn \$nil (2023 - \$nil) with respect to its operating line of credit.

The collective credit facility is secured by a general security agreement providing a charge over all present and future property of the Association; replacement cost fire insurance coverage; \$2,000,000 collateral mortgage with first charge over land and building; a real property report; and an assignment of all leases and rents.

The credit facility is subject to certain financial covenants with respect to debt service coverage. The credit facility is also subject to certain non-financial covenants requiring written permission from Scotiabank including: changes in ownership, mergers, acquisitions, investments or change in the line of business. As at December 31, 2024, the Association is in compliance with all such covenants.

**Alberta Hotel & Lodging Association**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**11. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities are government remittances (such as payroll withholding taxes and goods and services taxes) of \$35,285 (2023 - \$52,339).

**12. Deferred revenue**

	2024	2023
Energy efficiency levy	306,468	306,468
Workforce partnership	92,134	199,980
Deferred membership fees	44,246	208,557
WCB funding (Note 13)	40,614	81,403
Advocacy	13,465	-
LMS subscriptions	12,722	-
Sponsorships	11,200	4,085
Lease deposits	11,082	11,082
Deferred Access fee	8,167	9,326
Tourism HR Canada	3,000	5,000
Travel Alberta grant	3,000	-
	<b>546,098</b>	<b>825,901</b>

Lease deposits relate to damage deposit and last month's rent held as security.

Deferred revenue from energy efficiency levy relates to revenue collected during the 2006 - 2010 Utility Partnership program with EPCOR and is retained for specific use in providing environmental stewardship benefits to members. In the year, \$nil (2023 - \$nil) was spent on eligible program costs resulting in recognition of the corresponding amount of revenue.

Deferred revenue from WCB is the unamortized funds for developing and implementing an online learning management system (LMS). In 2024, \$nil (2023 - \$nil) of LMS grants funds were received and \$40,789 (2023 - \$37,897) was recognized as revenue.

Deferred revenue from Travel Alberta is the unspent funds earmarked for Human Resources training and development. In 2024, \$50,000 (2023 - \$50,000) of grant funds were received and \$52,000 (2023 - \$50,000) was recognized as revenue.

Deferred revenue from the Workforce partnership is the unspent funds for increasing human resources training and capacity at Alberta hotels. In 2024, \$nil (2023 - \$250,000) of grant funds were received and \$107,846 (2023 - \$50,020) was recognized as revenue.

**13. Restrictions on surplus**

The Association's total surplus is comprised of the following:

	2024	2023
<b>Surplus invested in capital and intangible assets:</b>		
Capital assets	2,896,151	2,965,006
Intangible assets	126,106	247,626
Unamortized deferred capital contribution (Note 12)	(40,614)	(81,403)
	<b>2,981,643</b>	<b>3,131,229</b>
<b>Unrestricted surplus</b>	<b>2,211,341</b>	<b>1,754,960</b>
<b>Safety program surplus</b>	<b>713,491</b>	<b>820,286</b>
<b>Internally restricted</b>	<b>641,343</b>	<b>425,000</b>
	<b>6,547,818</b>	<b>6,131,475</b>

**Alberta Hotel & Lodging Association**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**13. Restrictions on surplus** *(Continued from previous page)*

Internally restricted surplus is comprised of:

	2024	2023
Capital	425,000	425,000
Program development	150,000	-
Operating	66,343	-
	<b>641,343</b>	425,000

**14. Other income**

	2024	2023
Trustee; financial, administrative and management services; and survey fees <i>(Note 15)</i>	284,783	227,981
Rental income	153,737	154,517
Interest income	130,615	112,204
Self insurance recovery	60,000	46,800
Dividends	94	86
Sponsorship	-	501
Job grant	-	118
Loss on disposal of capital assets	-	(1,761)
	<b>629,229</b>	540,446

**15. Trust accounts**

As provided for under the Trust and Governance Agreements the Association has with various destination marketing funds, the Association receives and disburses funds in trust. These trust funds are accounted for separately and, accordingly, are not reflected in these consolidated financial statements. As at December 31, 2024, the Association held trust funds on deposit in the amount of \$15,552,916 (2023 - \$15,847,207).

**16. Financial instruments**

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

The Association is exposed to interest rate risk arising from fluctuations in interest rates on its cash and trading investments, as described in Notes 3, 4 and 5 and its bank indebtedness as described in Note 10.

***Market risk***

The Association is exposed to market risk through its trading investments. The risk is minimized by the conservative composition of investments which is governed by the Association's investment policy.

# Alberta Hotel & Lodging Association

## Notes to the Consolidated Financial Statements

*For the year ended December 31, 2024*

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### 16. Financial instruments *(Continued from previous page)*

#### ***Credit risk***

The Association is exposed to credit risk through its cash, trading investments and accounts receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances as disclosed in these consolidated financial statements.

The Association manages its exposure to credit risk on cash and trading investments by placing these financial instruments with high quality financial institutions. The investments are managed on the Association's behalf by an external investment manager. The Board of Directors with the assistance of the investment manager has established guidelines for the asset mix in accordance with the Association's investment policy.

The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

**Alberta Hotel & Lodging Association**  
**Schedule 1 - Consolidated Schedule of Revenue and Expenses**

*For the year ended December 31, 2024*

**Member Value Programs**

	2024	2023
<b>Revenue</b>		
Self-insurance program	508,624	449,223
Electrical energy and natural gas program	368,545	351,920
Accommodation programs	144,282	131,868
Partnership programs and other revenues	25,045	33,918
Health plan	-	64,269
	1,046,496	1,031,198
<b>Expenses</b>		
Accommodation programs	16,306	18,388
Self-insurance program	6,021	24,927
Electrical energy and natural gas program	2,269	48,866
Health plan	2,160	25,569
	26,756	117,750
<b>Excess of revenue over expenses</b>	1,019,740	913,448

**Human Resource & Safety Programs**

	2024	2023
<b>Revenue</b>		
Safety training	518,854	416,468
HR programs and other revenues	143,043	69,103
	661,897	485,571
<b>Expenses</b>		
Safety training	625,649	524,699
HR projects	158,167	88,512
	783,816	613,211
<b>Deficiency of revenue over expenses</b>	(121,919)	(127,640)

**Alberta Hotel & Lodging Association**  
**Schedule 1 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended December 31, 2024*

**Membership Communications**

	2024	2023
<b>Revenue</b>		
Membership services	653,015	566,131
Member events: annual convention & trade show and regional meetings	232,448	218,206
Membership publications	-	23,824
	885,463	808,161
<b>Expenses</b>		
Membership services	227,653	153,342
Member events: annual convention & trade show and regional meetings	153,336	130,059
Membership publications	-	88,155
	380,989	371,556
<b>Excess of revenue over expenses</b>	504,474	436,605

**Government Advocacy & Industry Relations**

	2024	2023
<b>Revenue</b>		
Government relations: general	2,500	5,908
<b>Expenses</b>		
Government relations: general	166,415	139,184
<b>Deficiency of revenue over expenses</b>	(163,915)	(133,276)

**Other income**

	2024	2023
Other income (Note 14)	629,229	540,446
	629,229	540,446

**General expenses**

	2024	2023
Total overhead office payroll	691,009	683,075
Total computer/IT and telecommunications expenses	218,854	159,571
Total building expenses	201,337	187,881
Total other expenses	111,114	120,960
Total general office expenses	98,677	56,882
Total Board of Directors expenses	72,453	89,247
Total professional fees	47,002	67,431
Total marketing expenses	-	550
	1,440,446	1,365,597

**Other expense**

	2024	2023
Income tax provision	10,820	4,136
	10,820	4,136