

2025

Annual Report

ahla || ALBERTA HOTEL &
LODGING ASSOCIATION

Executive Summary

2025 was a year of significant progress for the Alberta Hotel & Lodging Association – strengthening our influence, expanding our capacity, and delivering high-impact programs that directly support our members.

Hotels across the province navigated an increasingly challenging operating environment shaped by rising concerns about safety and security, persistent pressures on profitability, labour shortages, and shifting guest expectations. These issues tested the capacity of our members to adapt and reinforced the importance of working together through their association.

As we close out 2025, I am incredibly proud of what our members, our Board of Directors, and our staff have achieved collectively through the AHLA. Our focus was clear: advocate strongly, build our workforce, advance sound hotel safety and HR practices, and deliver programs that help Alberta hotels prosper. In 2025, the AHLA's Board of Directors broadened our long-term vision to better reflect the work we do:

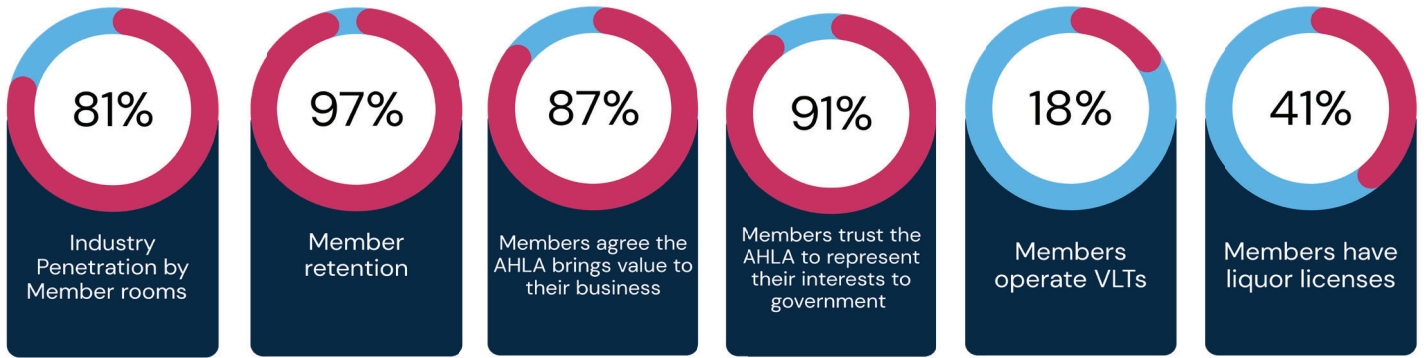
The AHLA is the voice of Alberta's hotel industry and is a trusted advisor on matters that impact Alberta hotels, representing 95% of hotel guest rooms in the province.

We are the premier source of health & safety training & resources for hotels and convention centres in Alberta and Canada's leading provincial hotel association.

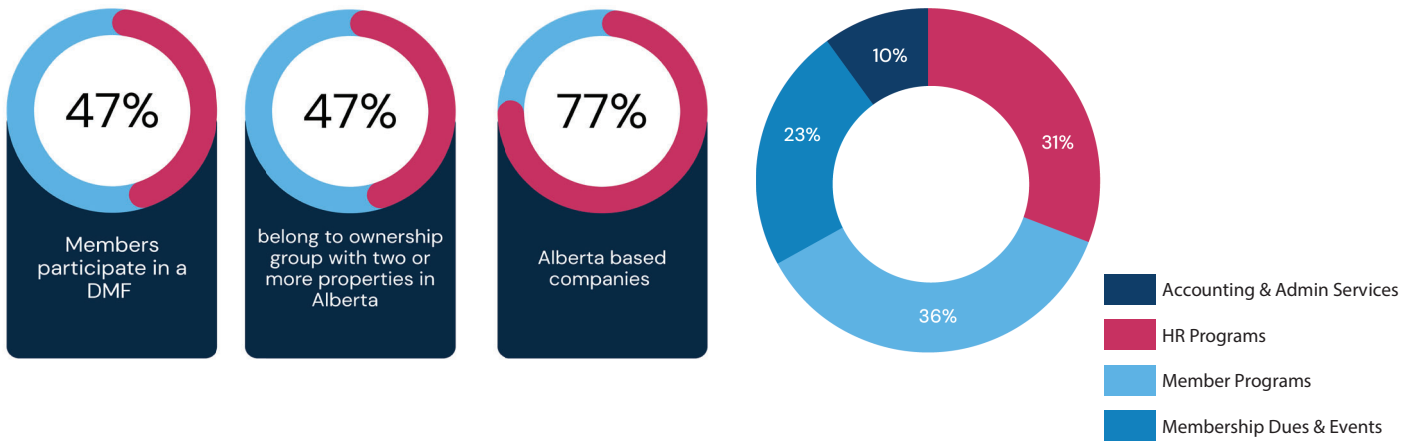
The achievements in our 2025 Annual Report reflect the focused and intentional efforts of our members, partners, and team, and demonstrate the essential role the AHLA continues to play during times of complexity and change as we strive to achieve this vision.



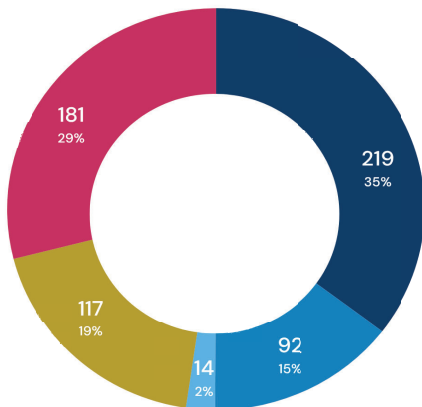
State of the AHLA



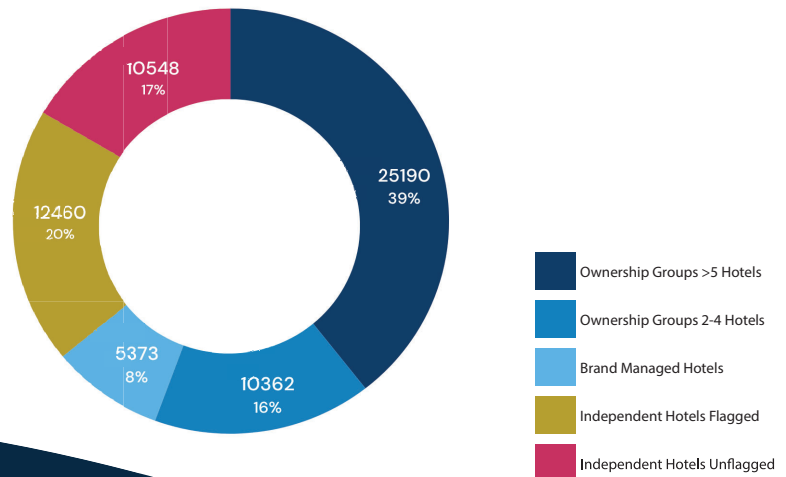
ANNUAL REVENUES



MEMBER HOTELS: 625



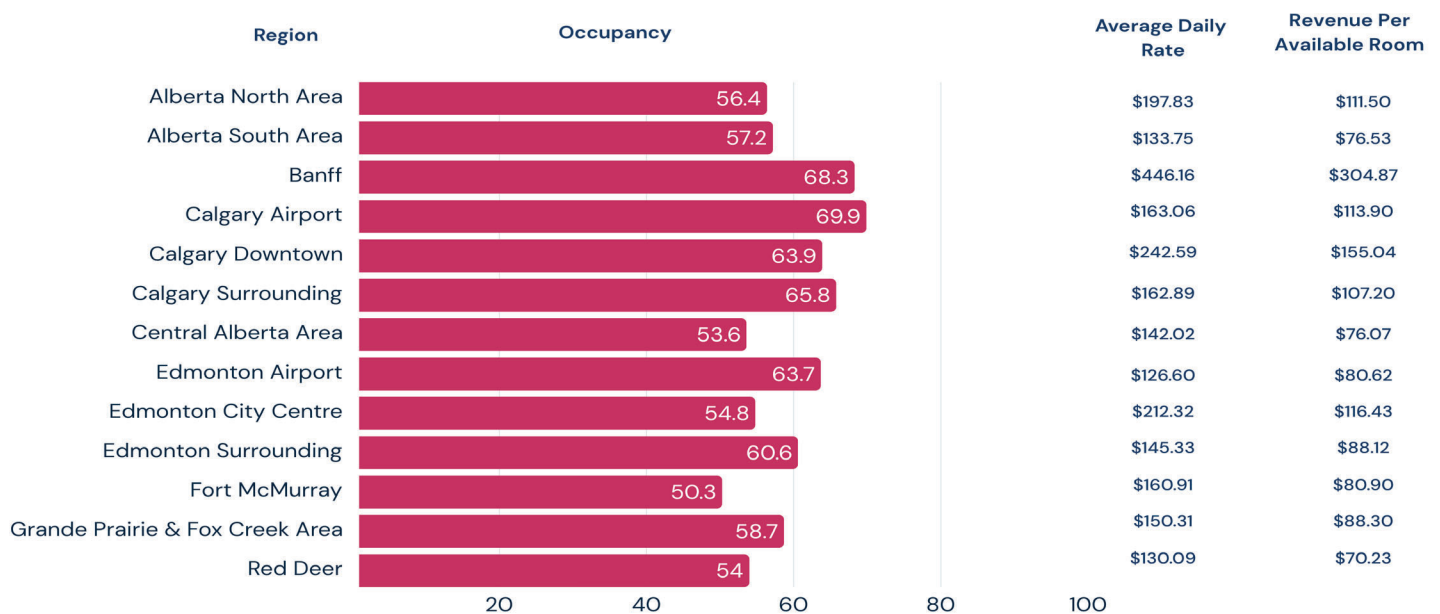
NUMBER OF GUEST ROOMS: 63,933



Top Issues for AHLA Members in 2025



State of Alberta's Hotel Industry: 2025

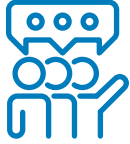


Source: Smith Travel Research Inc. (STR). Replication or other re-use of this data without the express written permission of STR is strictly prohibited. Occupancy rates and average daily room rates are based on monthly averages of all reporting hotels, motels and motor hotels in each designated region. 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 2025, and we look forward to serving you in 2026 and beyond.

Strategic Objectives

Based on the political, social and economic conditions the AHLA and our members operate in, the AHLA's Board of Directors developed a 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

ADVOCACY & MEMBER ENGAGEMENT

Advocacy That Helps Our Members Prosper

AHLA's advocacy efforts this year reinforced our role as the trusted voice of Alberta's hotel industry. With hotels facing profitability pressures, rising operating costs, and heightened public safety concerns, strong, coordinated advocacy was essential. AHLA brought these realities directly to policymakers with clarity and urgency, while maintaining a strong presence in broader policy discussions through TIAA and HAC Hill Days, ensuring industry priorities were understood at all levels of government.

With the support of our members, the AHLA:

- Successfully elevated the visibility of short-term rentals during municipal elections, framing the absence of a modern regulatory framework as an issue that impacts housing, taxation, and public safety in communities around the province.
- Was a key contributor to provincial Destination Marketing Fee (DMF) legislation—an important step toward establishing clear rules for hotels, as well as transparency and accountability for how DMF dollars are used.
- Continued to work with AGLC to explore the potential for an increase to VLT commissions for our members.
- Advocated for the continuation of the Tourism & Hospitality Immigration Stream as a pathway to permanent residency for hotel employees.



Bringing Together Alberta Hotels & Amplifying Our Value

We expanded our communications and membership capacity to ensure hotels receive timely, relevant information and clearly understand the value of being part of the AHLA. Through events, webinars, newsletters and emails, and active social platforms, we strengthened how we connect with members and amplify the collective voice of Alberta's hotels. This included deepening engagement through the Owners' Forum, providing timely industry and policy updates through the Quarterly Innsight, and delivering forward-looking insights at Ascend, which continues to be a key gathering for hotel leaders, owners, and investors.

Ascend Conference

The Ascend 2025 Conference, held October 14–15 at the JW Marriott Edmonton ICE District, brought together more than 170 hotel owners, executives, and investors for two days of industry insights and strategic discussions. Ascend 2025 ultimately reinforced the role of innovation, collaboration, and strategic planning in shaping the future of Alberta's hospitality sector.

Owners' Forum

The AHLA hosted two Owners' 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.

Quarterly Innsight

Our members-only webinars have been a key way to connect directly with members, ensuring AHLA's advocacy and initiatives align with their needs.

"We are grateful and appreciate all the support from AHLA for the updates in the email newsletters, the webinar presentations... and various health and safety trainings."

Anil Fazal

Best Western Premier Calgary Plaza Hotel & Conference Centre



HUMAN RESOURCES & SAFETY SERVICES

Building a Skilled Workforce For Alberta Hotels

In 2025, the AHLA advanced its commitment to developing a strong, sustainable workforce for Alberta's hospitality sector. Supported by partnerships and industry collaboration, the AHLA:

- Promoted student work placements through partnerships with Careers Next Generation and Olds College, helping bridge the gap between education and industry experience.
- Supported international recruitment despite changes to the Temporary Foreign Worker Program and international student work permits, utilizing the Francophone Mobility Program and World University Service of Canada.
- The AHLA, in partnership with the Alberta Association of Recreation Facilities Personnel (AARFP) hosted a virtual **Pool Operator Level 1 workshop exclusively for members** of the AHLA in September 2025.
- Published WCB packages for workers and leaders that include all necessary paperwork to allow hotels to quickly manage workplace injuries and ensure effective return to work. WCB announced a premium rate decrease for hotels and convention centres (industry code 87503) in 2026 by 1.04% compared to 2025
- Delivered the inaugural **Aspire Conference**, receiving strong engagement and overwhelmingly positive feedback from **131 participating hotels**.
- Developed, tested, and launched the **Elevate Hotel HR & Safety Program**, including TourismWorks training, a confidential employer assessment for regulatory compliance, and recognition for compliant hotels.
- Conducted the **annual wage survey**, providing essential data on 36 hospitality occupations to support informed compensation decisions.
- Updated the **3-Year Labour Strategy** to reflect progress and prioritize employer capacity building and domestic workforce development.



"It's very encouraging to see the AHLA, through Elevate, helping to formulate a guideline for employers to follow, to do it together, and to feel less alone. Continued efforts by the AHLA in these fields will definitely help further, as will expanding the library of tools in TourismWorks."

Jonathan Taylor
Banff Aspen Lodge

Training Through TourismWorks

The decision to move to a subscription model for training continues to support employee training and development at hotels large and small around the province. TourismWorks' growth reflects rising workforce training needs:

- 14 new courses, including modernized WHMIS training, in online and Train the Trainer formats.
- 5,400 active learners, up from 4,164 in 2024.
- 12,121 course enrollments across e-learning, instructor-led training, and webinars – a 48% increase from 2024 (up from 8,185 in 2024).

These numbers highlight the demand for accessible, affordable, hotel-specific safety education and underscore the sector's commitment to professional development even amid economic and operational pressures. The top 5 courses taken were:

- WHMIS
- Skill Up Critical Conversations – Navigating Guest Interactions
- Not In Our Hotel – Human Trafficking Awareness Training
- Workplace Harassment & Violence Prevention for Supervisors
- Skill Up Critical Conversations – Leading with Compassion

"From the Aspire conference to the outstanding TourismWorks site, the connection to tools and resources has never been stronger. Your team's creativity and dedication are truly inspiring, and after many years in this industry, I cannot thank you enough for elevating the standard for collaboration and innovation across our sector."

Melanie Rheume,
The Westin Calgary



Alberta Hotels Equipped To Manage Emerging Realities

In 2025, the AHLA strengthened Alberta's hotel sector by expanding its ability to anticipate and respond to emerging risks. Through enhanced safety leadership, new training programs, and strategic industry support, the AHLA equipped hotels with essential tools and knowledge, solidifying its role as the province's official health and safety association.



Human Trafficking Prevention

To strengthen human trafficking prevention efforts, we advanced **Not In Our Hotel (NIOH)**; a free, Canada-specific online training program in partnership with hotel associations in British Columbia, Saskatchewan, Manitoba, and Ontario. The training equips hospitality staff to Recognize, Respond, and Report suspected trafficking and provides practical tools and templates for immediate action.

The program is designed to:

- 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.

Between September 1, 2024 and December 31, 2025, **1,206 learners** completed NIOH training, including **398 participants from Alberta (33%)**.

Emergency Response Planning

Emergency preparedness and high-profile event safety and security was a priority for the AHLA this past spring with the G7 Summit being hosted in Kananaskis in June. The AHLA collaborated with Calgary Police Service and the RCMP to create valuable e-Learning courses, webinars and printed resources to help hotels prepare for this high-profile event. These resources continue to be accessible through TourismWorks. The AHLA's efforts were acknowledged as being very helpful during this high-profile event.

Emergency response planning:
Safety and Security for High Profile Events

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Tourism Works.ca

AHLA SERVICES CORPORATION

2025 was a foundational year for ASC, building organizational strength through structure, systems & segmentation, focusing on:

- Integrating new staff and leveraging their diverse expertise
- Modernizing operations through new technologies and improved data systems
- Continuing member segmentation to better tailor program offerings
- Documenting and simplifying processes to reduce complexity and enhance efficiency

These investments establish a strong foundation for ASC's long-term program growth.

Canadian Hospitality Pension Program

Two years ago, AHLA and the BCHA launched the Canadian Hospitality Health Plan (CHHP) to support the wellbeing of hospitality workers and help hotels strengthen retention and manage costs. Members have since emphasized that long-term financial wellbeing is just as critical as physical and mental health.

In response, the Canadian Hospitality Pension Program, which supports long-term financial security for hospitality workers, was introduced. The program offers professionally managed, diversified investments with strong governance and safeguards, providing meaningful retirement benefits without added administrative burden. It is supported by trusted partners: Cooperators, INTEGRIS Pension Management, and Avance Insurance Services.

This sector-specific pension solution helps members demonstrate their commitment to employees' futures and improve competitiveness in a challenging labour market.



Client Services

AHLA provides independent, expert trustee services for Destination Marketing Fee Funds, ensuring transparency, compliance, and strong financial stewardship. This includes revenue management, expense oversight, financial reporting, compliance and audit coordination, and investment stewardship. With a focus on integrity, accountability, and customized service, AHLA helps DMFs manage collections, payments, reporting, GST filing, audits, and investment performance, giving boards confidence that their funds are managed responsibly and effectively.

New Three-Year Strategy

ASC completed a new three-year strategy for 2026–2028 using extensive feedback from members, partners, and both AHLA and ASC Boards. The strategy reinforces ASC's 10 year target: to deliver integrated solutions that address the macro issues affecting hotel profitability.

The strategy will focus on:

- Ensuring our power, natural gas, insurance, and employee benefits programs are suppliers of choice for Alberta hotels, and
- Providing integrated solutions for hotels in the areas of sustainability, technology, culture & talent, and safety & security.

AHLA IS A HIGH-PERFORMANCE ORGANIZATION

Building a High-Performance Organization

AHLA and ASC share the ongoing goal of ensuring the association is a high-performance organization, which is demonstrated through:

- Strong financial stewardship, with unqualified audited financial statements, disciplined surplus allocation, and the establishment of Program Development and Operating Reserves to support long term stability and innovation.
- Leading governance practices and continued focus on board engagement and decision making.
- Clear performance measurement with updated organizational scorecards for both AHLA and ASC, improving transparency, accountability, and knowledge based decision making.
- Investing in systems and processes to support scalability and efficiency.
- A clear and compelling vision and core purpose that inspires and guides the AHLA's leadership and staff.

Together, these actions advanced AHLA's ability to deliver results, steward member resources responsibly, and operate as a resilient, high performing organization.

LOOKING AHEAD

Building The Future Together, And With Purpose

The challenges Alberta hotels faced in 2025 made it clear that the work of the AHLA has never been more important. Safety and security concerns, profitability pressures, and ongoing labour challenges will continue to shape the future of our sector.

2025 also reaffirmed something equally important: our industry is resilient, determined, and stronger when we work together.

By advancing strong advocacy, leading health & safety excellence, elevating HR and workforce standards through programs like Elevate, and expanding industry owned solutions like CHHP, AHLA and ASC are helping hotels not only withstand today's pressures but build for tomorrow's success.



ahla



ALBERTA HOTEL &
LODGING ASSOCIATION

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Alberta Hotel & Lodging Association
Consolidated Financial Statements
December 31, 2025

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, 2025, 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, 2025, 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 9, 2026

MNP LLP

Chartered Professional Accountants

MNP

Alberta Hotel & Lodging Association

Consolidated Statement of Financial Position

As at December 31, 2025

	2025	2024
Assets		
Current		
Cash and cash equivalents <i>(Note 3)</i>	2,006,095	2,195,868
Marketable securities <i>(Note 4)</i>	1,068,506	1,036,589
Trading investments <i>(Note 5)</i>	1,214,689	681,040
Accounts receivable and prepaid expenses <i>(Note 6)</i>	279,083	399,720
	4,568,373	4,313,217
Other assets <i>(Note 7)</i>	13,774	31,959
Capital assets <i>(Note 8)</i>	2,853,082	2,896,151
Intangible assets <i>(Note 9)</i>	113,230	126,106
	7,548,459	7,367,433
Liabilities		
Current		
Accounts payable and accrued liabilities <i>(Note 11)</i>	228,455	264,472
Deferred revenue <i>(Note 12)</i>	756,700	546,098
Income taxes payable	4,322	9,045
	989,477	819,615
Surplus		
Safety <i>(Note 13)</i>	585,973	713,491
Unrestricted <i>(Note 13)</i>	2,365,354	2,211,341
Capital investment <i>(Note 13)</i>	2,966,312	2,981,643
Internally restricted <i>(Note 13)</i>	641,343	641,343
	6,558,982	6,547,818
	7,548,459	7,367,433

Approved on behalf of the Board

signed by "Joel Hollingsworth"

Director

signed by "Nuwan Eparatchy"

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, 2025

	2025	2024
Member Value Programs <i>(Schedule 1)</i>		
Revenue	924,091	1,046,496
Expenses	16,692	26,756
Excess of revenue over expenses	907,399	1,019,740
Human Resource & Safety Programs <i>(Schedule 2)</i>		
Revenue	828,034	661,897
Expenses	1,025,586	783,816
Deficiency of revenue over expenses	(197,552)	(121,919)
Membership Communications <i>(Schedule 3)</i>		
Revenue	942,288	885,463
Expenses	481,601	380,989
Excess of revenue over expenses	460,687	504,474
Government Advocacy & Industry Relations <i>(Schedule 4)</i>		
Revenue	161,580	2,500
Expenses	353,959	166,415
Deficiency of revenue over expenses	(192,379)	(163,915)
Excess of revenue over expenses of segments	978,155	1,238,380
Other income <i>(Note 14)</i>	528,141	629,229
General expenses <i>(Schedule 5)</i>	(1,490,810)	(1,440,446)
Income tax provision	(4,322)	(10,820)
Excess of revenue over expenses for the year	11,164	416,343
Total revenue	2,855,993	2,596,356
Total expenses	(1,877,838)	(1,357,976)
Other income <i>(Note 14)</i>	528,141	629,229
General expenses <i>(Schedule 5)</i>	(1,490,810)	(1,440,446)
Income tax provision	(4,322)	(10,820)
Excess of revenue over expenses for the year	11,164	416,343

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, 2025

	<i>Safety</i>	<i>Operating</i>	<i>Surplus invested in capital and intangible assets</i>	<i>Capital reserve</i>	2025	2024
Surplus, beginning of year	713,491	2,211,341	2,981,643	641,343	6,547,818	6,131,475
Excess of revenue over expenses	(127,518)	323,376	(184,694)	-	11,164	416,343
Purchase of capital assets	-	(48,145)	48,145	-	-	-
Purchase of intangible assets	-	(121,218)	121,218	-	-	-
Surplus, end of year	585,973	2,365,354	2,966,312	641,343	6,558,982	6,547,818

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, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	11,164	416,343
Amortization of capital, intangible and other assets	243,493	229,590
Reinvested investment income, net (Note 5)	(33,649)	(38,940)
	221,008	606,993
Changes in working capital accounts		
Accounts receivable and prepaid expenses	120,637	(58,539)
Accounts payable and accrued liabilities	(36,014)	3,222
Deferred revenue	210,602	(279,803)
Income taxes payable/recoverable	(4,726)	10,068
	511,507	281,941
Investing		
Purchase of marketable securities	(31,917)	(1,036,589)
Purchase of trading investments	(500,000)	-
Purchase of capital assets	(48,145)	(21,030)
Purchase of intangible assets	(121,218)	-
	(701,280)	(1,057,619)
Decrease in cash resources	(189,773)	(775,678)
Cash resources, beginning of year	2,195,868	2,971,546
Cash resources, end of year	2,006,095	2,195,868

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, 2025

1. Incorporation and nature of the organization

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 627 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

The consolidated financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations set out in Part III of the CPA Canada Handbook - Accounting, using the following significant accounting policies:

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 reports using fund accounting. 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 capital assets and intangible assets.

The 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.

The 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.

Alberta Hotel & Lodging Association
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

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

Revenue recognition (Continued from previous page)

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.

Cash and cash equivalents

Cash and cash equivalents include 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

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	straight-line	40 years
Other office equipment	straight line	4 years
Computer equipment	straight-line	3 years
Office furniture and fixtures	straight-line	10 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 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 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 (2024 - \$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.

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

Allocation of expenses *(Continued from previous page)*

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.

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 investments in equity or debt instruments quoted in an active market originated 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.

Alberta Hotel & Lodging Association
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

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

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 where considered necessary. Amortization is based on the estimated useful lives of capital and intangible assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the year in which they become known.

3. Cash and cash equivalents

	2025	2024
Cash in bank non-interest bearing accounts	245,493	449,970
Bank balances payable on demand - weighted average annual interest rate of 1.00% (2024 - 0.20%)	1,760,602	1,745,898
	2,006,095	2,195,868

4. Marketable securities

	2025	2024
Guaranteed investment certificate, maturing March 27, 2026, interest rate of 2.85% (2024 - 4.90%)	535,967	518,794
Guaranteed investment certificate, maturing March 30, 2026, interest rate of 2.50% (2024 - 3.70%)	532,539	517,795
	1,068,506	1,036,589

5. Trading investments

	2025	2024
Cash and cash equivalents - Canada	14,190	20,474
Fixed income - Canada	408,596	497,177
Fixed income - accrued income	-	3,775
Equity - Canada	152,519	107,828
Equity - United States	41,399	25,306
Equity - International	33,534	26,480
Mutual funds / segregated funds	564,451	-
	1,214,689	681,040

Alberta Hotel & Lodging Association
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

5. Trading investments *(Continued from previous page)*

	2025	2024
Change in investments		
Investments, beginning of year	681,040	642,100
Additions	500,000	-
Reinvested interest income	20,239	19,363
Reinvested net gain (loss)	9,800	16,712
Reinvested dividend income	3,610	2,865
Investments, end of year	1,214,689	681,040

6. Accounts receivable and prepaid expenses

	2025	2024
Trade receivables	141,214	255,284
GST receivable	6,992	3,302
Prepaid expenses	78,877	89,134
Prepaid deposit	52,000	52,000
	279,083	399,720

7. Other assets

	Cost	Accumulated amortization	2025	2024
Tenant improvements	90,849	77,075	13,774	31,959

For the year ended December 31, 2025, amortization of \$18,185 (2024 - \$18,185) was expensed relating to other assets.

8. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	927,021	-	927,021	927,021
Buildings	3,151,439	1,257,804	1,893,635	1,949,140
Other office equipment	44,619	23,929	20,690	9,479
Computer equipment	60,939	50,552	10,387	8,937
Office furniture and fixtures	217,301	215,952	1,349	1,574
	4,401,319	1,548,237	2,853,082	2,896,151

For the year ended December 31, 2025, amortization of \$91,214 (2024 - \$89,885) was expensed relating to capital assets.

Alberta Hotel & Lodging Association
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

9. Intangible assets

	<i>Cost</i>	<i>Accumulated amortization</i>	2025	2024
Websites	4,914	4,914	-	-
Program development costs	50,479	45,892	4,587	10,843
Software development costs	469,344	360,701	108,643	115,263
Software costs	13,692	13,692	-	-
	538,429	425,199	113,230	126,106

For the year ended December 31, 2025, amortization of \$134,094 (2024 - \$121,520) 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, 2025, the Association had drawn \$nil (2024 - \$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, 2025, the Association is in compliance with all such covenants.

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 \$32,526 (2024 - \$35,285).

12. Deferred revenue

	2025	2024
Energy efficiency levy	306,468	306,468
Deferred membership fees	228,808	44,246
Workforce partnership	146,992	92,134
LMS subscriptions	25,899	12,722
Deferred access fee	20,270	8,167
Advocacy	11,912	13,465
Lease deposits	11,082	11,082
Travel Alberta grant	5,269	3,000
WCB funding	-	40,614
Sponsorships	-	11,200
Tourism HR Canada	-	3,000
	756,700	546,098

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 2025, \$nil (2024 - \$nil) was spent on eligible program costs resulting in recognition of the corresponding amount of revenue.

Alberta Hotel & Lodging Association
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

12. Deferred revenue *(Continued from previous page)*

Deferred revenue from WCB is the unamortized funds for developing and implementing an online learning management system (LMS). In 2025, \$nil (2024 - \$nil) of LMS grants funds were received and \$40,614 (2024 - \$40,789) was recognized as revenue.

Deferred revenue from Travel Alberta is the unspent funds earmarked for Human Resources training and development. In 2025, \$83,000 (2024 - \$50,000) of grant funds were received and \$80,731 (2024 - \$52,000) 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 2025, \$257,500 (2024 - \$nil) of grant funds were received and \$202,642 (2024 - \$107,846) was recognized as revenue.

13. Restrictions on surplus

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

	2025	2024
<i>Surplus invested in capital and intangible assets:</i>		
Capital assets	2,853,082	2,896,151
Intangible assets	113,230	126,106
Unamortized deferred capital contribution	-	(40,614)
	2,966,312	2,981,643
<i>Unrestricted surplus</i>	2,365,354	2,211,341
<i>Safety program surplus</i>	585,973	713,491
<i>Internally restricted</i>	641,343	641,343
	6,558,982	6,547,818

Internally restricted net assets

Internally restricted surplus is comprised of the following:

	2025	2024
Capital	425,000	425,000
Program development	150,000	150,000
Operating	66,343	66,343
	641,343	641,343

14. Other income

	2025	2024
Trustee; financial, administrative and management services; and survey fees	286,612	284,783
Rental income	165,306	153,737
Interest income	75,973	130,615
Dividends	250	94
Self insurance recovery	-	60,000
	528,141	629,229

Alberta Hotel & Lodging Association

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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, 2025, the Association held trust funds on deposit in the amount of \$3,772,626 (2024 - \$15,552,916).

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.

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 - Member Value Programs

For the year ended December 31, 2025

	2025	2024
Revenue		
Self-insurance program	498,642	508,624
Electrical energy and natural gas program	357,013	368,545
Accommodation programs	44,309	144,282
Partnership programs and other revenues	24,127	25,045
Canadian Hospitality Health Plan	-	-
	924,091	1,046,496
Expenses		
Accommodation programs	13,982	16,306
Canadian Hospitality Health Plan	2,468	2,160
Electrical energy and natural gas program	201	2,269
Self-insurance program	41	6,021
	16,692	26,756
Excess of revenue over expenses	907,399	1,019,740

Alberta Hotel & Lodging Association

Schedule 2 - Human Resource & Safety Programs

For the year ended December 31, 2025

	2025	2024
Revenue		
Safety training	574,299	518,854
HR programs and other revenues	230,461	143,043
Aspire	23,274	-
	828,034	661,897
Expenses		
Safety training	701,817	625,649
HR projects	284,263	158,167
Aspire	39,506	-
	1,025,586	783,816
Deficiency of revenue over expenditures	(197,552)	(121,919)

Alberta Hotel & Lodging Association Schedule 3 - Membership Communications

For the year ended December 31, 2025

	2025	2024
Revenue		
Membership services	663,359	653,015
Member events: annual convention & trade show and regional meetings	278,929	232,448
	942,288	885,463
Expenses		
Membership services	284,351	227,653
Member events: annual convention & trade show and regional meetings	197,250	153,336
	481,601	380,989
Excess of revenue over expenses	460,687	504,474

Alberta Hotel & Lodging Association Schedule 4 - Government Advocacy & Industry Relations

For the year ended December 31, 2025

	2025	2024
Revenue		
Government relations: general	161,580	2,500
Expenses		
Government relations: general	353,959	166,415
Deficiency of revenue over expenses	(192,379)	(163,915)

The Association recognized restricted contributions as government relations revenue in 2025 to offset eligible expenses incurred related to the short-term rental campaign.

Alberta Hotel & Lodging Association Schedule 5 - General Expenses

For the year ended December 31, 2025

	2025	2024
General expenses		
Overhead office payroll	650,343	691,009
Computer/IT and telecommunications	283,416	218,854
Building	208,833	201,337
Other	115,096	111,114
General office	86,098	98,677
Board of Directors	80,558	72,453
Professional fees	66,466	47,002
	1,490,810	1,440,446

Alberta Hotel & Lodging Association
Schedule 6 - AHLA Services Corporation Statement of Revenue and Expenses

For the year ended December 31, 2025

	2025	2024
Revenue		
Self-insurance program	498,642	568,624
Client services	286,612	284,783
Electrical energy program	238,100	248,663
Natural gas program	118,913	119,882
Accommodation programs	44,309	144,282
Partnership programs and other revenues	24,127	25,045
	1,210,703	1,391,279
Operating expenses		
Overhead office payroll	403,507	478,965
Professional fees	33,836	32,917
Board of Directors	33,589	35,114
General office	21,816	62,266
Building	6,169	5,392
Computer/IT and telecommunications	1,030	750
Other	517	-
	500,464	615,404
Inter-entity expenses		
Marketing	570,800	581,304
Labour	60,333	62,730
Rent	31,747	24,863
	662,880	668,897
Excess of revenue over expenses before income taxes	47,359	106,978
Income tax provision	4,322	10,820
Net excess of revenue over expenses	43,037	96,158