

CAMROSE AND AREA LODGE AUTHORITY

Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the Camrose and Area Lodge Authority (the "Authority"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2022, and the results of its operations and the changes in its net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP


Chartered Professional Accountants


Edmonton, Alberta
March 24, 2023

**CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash and cash equivalents (Note 2)	\$ 799,250	\$ 680,029
Accounts receivable (Note 3)	97,595	98,178
Prepaid expenses and deposits	<u>10,069</u>	<u>11,201</u>
	906,914	789,408
TANGIBLE CAPITAL ASSETS (Note 4)	<u>20,755</u>	<u>31,677</u>
	\$ <u>927,669</u>	\$ <u>821,085</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ <u>239,324</u>	\$ <u>216,924</u>
NET ASSETS		
Unrestricted net assets	523,617	428,511
Internally restricted net assets (Note 6)	143,973	143,973
Invested in tangible capital assets	<u>20,755</u>	<u>31,677</u>
	<u>688,345</u>	<u>604,161</u>
	\$ <u>927,669</u>	\$ <u>821,085</u>

APPROVED ON BEHALF OF THE BOARD:


 _____ Director


 _____ Director

**CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Accommodation	\$ 1,975,959	\$ 1,700,016	\$ 1,718,640
Grants (Note 7)	392,636	788,243	836,068
Recoveries	92,196	102,100	98,494
Interest	<u>3,690</u>	<u>18,319</u>	<u>3,854</u>
	<u>2,464,481</u>	<u>2,608,678</u>	<u>2,657,056</u>
 EXPENSES			
Wages and benefits	1,592,175	1,519,599	1,518,718
Food and kitchen supplies	263,500	271,402	256,623
Utilities	234,718	236,657	235,029
Administrative management	157,500	157,500	157,500
COVID 19 expenses	-	61,270	109,561
Building and ground maintenance	57,985	50,058	72,795
Laundry and linen supplies	28,650	36,699	30,557
General administration	27,665	27,625	37,070
Telephone	16,891	15,631	15,337
Professional fees	9,450	14,201	9,556
Bad debts	-	7,161	-
Insurance	7,363	7,146	7,278
Equipment repairs and maintenance	4,000	5,360	4,052
Conference and travel	3,500	2,821	3,571
Small equipment	<u>2,500</u>	<u>442</u>	<u>2,569</u>
	<u>2,405,897</u>	<u>2,413,572</u>	<u>2,460,216</u>
 EXCESS BEFORE OTHER ITEMS	58,584	195,106	196,840
 OTHER ITEMS			
Municipal requisitions (Note 9)	50,000	50,000	25,000
Bashaw transfer (Note 9)	(150,000)	(150,000)	(150,000)
Amortization on capital assets	<u>(10,922)</u>	<u>(10,922)</u>	<u>(10,629)</u>
 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	 <u>\$ (52,338)</u>	 <u>\$ 84,184</u>	 <u>\$ 61,211</u>

**CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Unrestricted <u>Net Assets</u>	Invested in Tangible Capital <u>Assets</u>	Internally Restricted Net Assets (Note 6)	<u>2022</u>	<u>2021</u>
NET ASSETS - BEGINNING OF YEAR	\$ 428,511	\$ 31,677	\$ 143,973	\$ 604,161	\$ 542,950
Excess of revenue over expenses	84,184	-	-	84,184	61,211
Amortization of tangible capital assets	10,922	(10,922)	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS - END OF YEAR	\$ <u>523,617</u>	\$ <u>20,755</u>	\$ <u>143,973</u>	\$ <u>688,345</u>	\$ <u>604,161</u>

**CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 84,184	\$ 61,211
Items not affecting cash:		
Amortization of tangible capital assets	<u>10,922</u>	<u>10,629</u>
	<u>95,106</u>	<u>71,840</u>
Change in non-cash working capital		
Accounts receivable	583	78,006
Prepaid expense and deposits	1,132	3,092
Accounts payable and accrued liabilities	<u>22,400</u>	<u>(83,462)</u>
	<u>24,115</u>	<u>(2,364)</u>
Cash flow from operating activities	<u>119,221</u>	<u>69,476</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	-	(22,337)
Increase (decrease) in guaranteed investment certificates	<u>-</u>	<u>200,000</u>
Cash flow from investing activities	<u>-</u>	<u>177,663</u>
INCREASE IN CASH FLOW	119,221	247,139
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>680,029</u>	<u>432,890</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 799,250</u>	<u>\$ 680,029</u>

CAMROSE AND AREA LODGE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NATURE OF OPERATIONS

The Camrose and Area Lodge Authority was established by Ministerial Order, pursuant to the Alberta Housing Act. It is responsible for the operation and administration of Stoney Creek Lodge, until its closure in May 2015, Stoney Creek Cottages and Rosealta Lodge in Camrose, Alberta. Any ongoing costs for maintenance of Stoney Creek Lodge are billed to the Province of Alberta. The Authority qualifies as a not-for-profit organization as defined in the Income Tax Act and is exempt from income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

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

(b) Cash and Cash Equivalents

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

(c) Tangible Capital Assets

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

Equipment	3 to 30 years, Straight-line method
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(d) Long-lived assets

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

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

(e) Revenue Recognition

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

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

CAMROSE AND AREA LODGE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

(f) Revenue Recognition (cont'd)

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

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

(g) Internally restricted net assets

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

(h) Contributed materials and services

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

(i) Measurement uncertainty

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

(j) Financial Instruments

Measurement of financial instruments

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

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Authority has no financial assets measured at fair value.

Impairment

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

**CAMROSE AND AREA LODGE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. CASH AND CASH EQUIVALENTS

	<u>2022</u>	<u>2021</u>
Operating accounts	\$ 798,620	\$ 679,399
Petty cash	<u>630</u>	<u>630</u>
	<u>\$ 799,250</u>	<u>\$ 680,029</u>

The Board has internally restricted \$143,973 (2021 - \$143,973) of cash as reserves for future major maintenance repairs and upgrades to the lodges as indicated in Note 6.

3. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Alberta Social Housing Corporation	\$ 53,818	\$ 52,922
Resident rents receivables	24,541	25,931
GST recoverable	<u>19,236</u>	<u>19,325</u>
	<u>\$ 97,595</u>	<u>\$ 98,178</u>

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net Book Value	
			<u>2022</u>	<u>2021</u>
Equipment	\$ <u>158,932</u>	\$ <u>138,177</u>	\$ <u>20,755</u>	\$ <u>31,677</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Due to Bethany Nursing Home of Camrose, Alberta	\$ 139,739	\$ 120,518
Accrued liabilities and prepaid rent	65,036	51,099
Trade payables	<u>34,549</u>	<u>45,307</u>
	<u>\$ 239,324</u>	<u>\$ 216,924</u>

6. INTERNALLY RESTRICTED NET ASSETS

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

CAMROSE AND AREA LODGE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

7. GRANTS

Grants received consist of various funds provided where the spending is restricted for purpose or use. Revenue has been received for incremental expenses related to COVID or due to lost revenue.

	<u>2022</u>	<u>2021</u>
Lodge Assistance Program grant	\$ 392,634	\$ 392,635
COVID occupancy loss	384,909	337,706
COVID expenses	-	103,688
Other grants	<u>10,700</u>	<u>2,039</u>
	<u>\$ 788,243</u>	<u>\$ 836,068</u>

8. RELATED PARTY TRANSACTIONS

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

The Authority paid management fees of \$157,500 for administrative support to Bethany Nursing Home of Camrose, Alberta for the year ended December 31, 2022 (2021 - \$157,500).

As at December 31, 2022, the amount payable to The Bethany Nursing Home of Camrose, Alberta is \$139,739 (2021 - \$120,518).

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

9. MUNICIPAL REQUISITIONS

	<u>2022</u>	<u>2021</u>
City of Camrose	\$ 28,065	\$ 14,255
County of Camrose	21,105	10,338
Town of Bashaw	<u>830</u>	<u>407</u>
	<u>\$ 50,000</u>	<u>\$ 25,000</u>

In June 2013, Bashaw Valley Lodge was closed and the Lodge residents moved to a new facility, Bashaw Meadows, which is owned and operated by Bethany Nursing Home of Camrose, Alberta. Bashaw Meadows provides both Lodge and Supportive Living Services. The Authority committed to support Bashaw Meadows by providing a \$150,000 annual contribution from 2021 - 2025.

10. FINANCIAL INSTRUMENTS

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

**CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF OPERATIONS - ROSEALTA LODGE
DECEMBER 31, 2022**

Schedule 1

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
REVENUE			
Accommodation	1,947,471	\$ 1,684,896	\$ 1,704,337
Grants	391,147	786,554	834,579
Recoveries	39,226	37,947	42,528
Interest	<u>3,690</u>	<u>18,319</u>	<u>3,854</u>
	<u>2,381,534</u>	<u>2,527,716</u>	<u>2,585,298</u>
EXPENSES			
Wages and benefits	1,592,175	1,519,599	1,518,718
Food and kitchen supplies	263,500	271,402	256,623
Utilities	196,193	186,770	188,098
Administration management	157,500	157,500	157,500
COVID 19 expenses	-	61,270	109,561
Building and ground maintenance	56,370	49,006	71,202
Laundry and linen supplies	28,650	36,699	30,557
General administration	27,665	27,565	36,950
Telephone	16,891	15,627	15,337
Professional fees	9,450	14,201	9,556
Bad debts	-	7,161	-
Insurance	6,330	6,138	6,229
Equipment repairs and maintenance	4,000	5,200	4,052
Conference and travel	3,500	2,821	3,571
Small equipment	<u>2,500</u>	<u>442</u>	<u>2,569</u>
	<u>2,364,724</u>	<u>2,361,401</u>	<u>2,410,523</u>
EXCESS BEFORE OTHER ITEMS	16,810	166,315	174,775
OTHER ITEMS			
Municipal requisitions (Note 9)	50,000	50,000	25,000
Bashaw Transfer (Note 9)	(150,000)	(150,000)	(150,000)
Amortization on tangible capital assets	<u>(10,922)</u>	<u>(10,922)</u>	<u>(10,629)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (94,112)</u>	<u>\$ 55,393</u>	<u>\$ 39,146</u>

**CAMROSE AND AREA LODGE AUTHORITY
STATEMENT OF OPERATIONS - STONEY CREEK
DECEMBER 31, 2022**

Schedule 2

	2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Accommodation	\$ 28,488	\$ 15,120	\$ 14,303
Grants	1,489	1,689	1,489
Recoveries	<u>984</u>	<u>948</u>	<u>975</u>
	<u>30,961</u>	<u>17,757</u>	<u>16,767</u>
 EXPENSES			
Utilities	7,244	6,404	6,487
Insurance	143	790	873
Building and ground maintenance	<u>-</u>	<u>91</u>	<u>136</u>
	<u>7,387</u>	<u>7,285</u>	<u>7,496</u>
 EXCESS OF REVENUE OVER EXPENSES	 <u>\$ 23,574</u>	 <u>\$ 10,472</u>	 <u>\$ 9,271</u>

CAMROSE AND AREA LODGE AUTHORITY

c/o The Bethany Group
4612 - 53 Street
Camrose, Alberta
T4V 1Y6

March 24, 2023

Metrix Group LLP
Chartered Professional Accountants
12840 St. Albert Trail
Edmonton, Alberta
T5L 4H6

Dear Sirs:

In connection with your audit of the financial statements of the Camrose and Area Lodge Authority for the year ended December 31, 2022, we hereby confirm that to the best of our knowledge and belief:

1. We are responsible for the fair presentation of the financial statements of the Authority prepared in accordance with Canadian accounting standards for not-for-profit organizations.
2. We understand that your audit was made in accordance with Canadian generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances for the purpose of expressing an opinion on the financial statements. We also understand that such an audit would not necessarily disclose irregularities, should there be any.
3. We have made available to you all:
 - financial records and related data;
 - minutes of all meetings of the Board of Directors.
4. The financial statements of the Authority:
 - (a) present on a fair and consistent basis all assets and all known liabilities of the Authority at the year end;
 - (b) fairly reflect and summarize on a consistent basis the results of all transactions entered into by the Authority during the year;
 - (c) segregate, where required, all transactions between and all balances due to and from the Authority and its related parties. There have been no exchanges of goods or services with any related party for which appropriate accounting recognition and financial statement disclosure has not been given.
 - (d) record only those assets to which the Authority has title and reflect only those transactions properly related to the activities of the Authority.
5. All assets, wherever located, to which the Authority had satisfactory title at the year end have been fairly stated and recorded in the financial statements on a basis consistent with prior years.
6. Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you. There are no pledges or assignments of Authority assets as security for liabilities.

7. Accounts receivable represent bona fide claims against residents for fees and other charges arising on or before the year end.

The total of accounts receivable written off during the period is hereby approved and, in our opinion, the allowance for doubtful accounts is adequate to cover all known or anticipated losses from uncollectible accounts and those accounts not paid within normal credit terms.

8. Appropriate provisions have been made for idle or obsolete assets or where site restoration costs will be necessary.
9. There are no direct or contingent liabilities, unusual contractual obligations nor any substantial commitments, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the Authority, except as disclosed in the financial statements.
10. We are not aware of any illegal or possibly illegal acts for which we have not disclosed to you all the facts related thereto.
11. We are generally aware of the environmental laws and regulations that impact on our Authority. There are no known environmental liabilities that have not been accrued for or disclosed in the financial statements.
12. There are no outstanding legal actions or possible claims which have not been provided for or disclosed in the financial statements.
13. The minute books include the complete record of all Board of Directors meetings and resolutions throughout the year and to the present date.
14. We are not aware of any irregularities involving management or employees who have significant roles in the system of internal control.
15. There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
16. No events or transactions other than those disclosed in the financial statements have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.
17. We acknowledge that management is responsible for the implementation and operation of internal controls that are designed to prevent fraud and error.
18. We have disclosed to you our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
19. We have disclosed to you our knowledge of fraud or suspected fraud affecting the Authority involving:
 - (a) management;
 - (b) employees who have significant roles in internal control; or
 - (c) others, where the fraud could have a non-trivial effect on the financial statements.
20. We have disclosed to you our knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, or others.

21. We confirm that we have reviewed and approved all adjusting entries made during the audit (none for 2023 audit) and we understand that no significant uncorrected financial statement misstatements have been brought forward as a result of the audit.

Yours sincerely,

CAMROSE AND AREA LODGE AUTHORITY

Per: 
Carla Beck, Chief Executive Officer, The Bethany Group


Amanda Leckie, Manager, Financial Services, The Bethany Group

March 24, 2023

Camrose and Area Lodge Authority
c/o The Bethany Group
4612 - 53 Street
Camrose, Alberta
T4V 1Y6

Attention: Board of Directors

Dear Board Members:

RE: 2022 AUDIT

The purpose of this communication is to summarize certain matters arising from the audit that we believe would be of interest to the Board. This communication should be read in conjunction with the financial statements and our report thereon, and it is intended solely for the use of the Board and should not be distributed to external parties without our prior consent. Metrix Group LLP accepts no responsibility to a third party who uses this communication.

SIGNIFICANT FINDINGS FROM THE AUDIT

The objective of our audit was to obtain reasonable assurance that the financial statements are free of material misstatement. Our audit procedures were performed in order to form an opinion on the financial statements and although they might bring possible fraudulent or illegal activities to our attention, our audit procedures were not designed to detect fraudulent or illegal activities.

The audit findings contained in this letter did not have a material effect on the Authority's financial statements, and as such, our audit report is without reservation.

Internal Controls

Our audit procedures did not reveal any significant deficiencies in internal control.

Accounting Policies

Management is responsible for determining the significant accounting policies. The choice of different accounting policy alternatives can have a significant effect on the financial position and results of the Authority. The application of those policies often involves significant estimates and judgments by management.

We are of the opinion that the significant accounting policies, estimates and judgments made by management, and financial disclosures do not materially misstate the financial statements taken as a whole.

Uncorrected Misstatements

There were no significant uncorrected misstatements aggregated by our Firm, for the year ended December 31, 2022.

After considering both quantitative and qualitative factors with respect to the uncorrected misstatements above, we agree with management that the financial statements are not materially misstated.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the Board.

AUDITOR INDEPENDENCE

We believe it is important to communicate, at least annually, with you regarding all relationships between the Authority and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by CPA Alberta and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) economic dependence on a client; and
- (e) provision of services in addition to the audit engagement.

We are not aware of any relationships between the Authority and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence that have occurred from January 1, 2022 to March 24, 2023.

We wish to thank the management and staff for their assistance during the audit. We appreciate the opportunity to work with the Authority.

Yours very truly,

METRIX GROUP LLP



Curtis Friesen CPA, CA
Partner