

**LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY**  
**Financial Statements**  
**Year Ended December 31, 2025**

**LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY**

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**Year Ended December 31, 2025**

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# Moriyama Wolsey LLP

## Chartered Professional Accountants

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\*Denotes professional corporation

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### INDEPENDENT AUDITOR'S REPORT

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To the Members of Lethbridge Destination Management Organization Society

#### *Opinion*

We have audited the financial statements of Lethbridge Destination Management Organization Society (the "organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### *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 Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the 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 Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

#### *Auditor's Responsibilities 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 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 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 organization's internal control.

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Independent Auditor's Report to the Members of Lethbridge Destination Management Organization  
Society (*continued*)

- 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 organization'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 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 organization 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.

*Moriyama Wolsey LLP*

Lethbridge, Alberta  
April 16, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

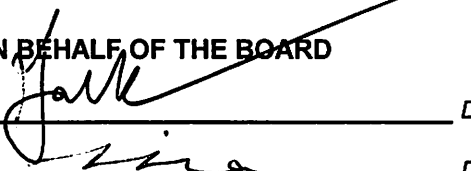
**LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY**

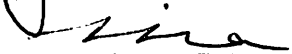
**Statement of Financial Position**

**December 31, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 248,035	\$ 233,442
Goods and services tax recoverable	7,425	12,245
Prepaid expenses	21,565	30,419
	<b>277,025</b>	<b>276,106</b>
<b>CAPITAL ASSETS (Note 4)</b>	<b>6,786</b>	<b>16,085</b>
	<b>\$ 283,811</b>	<b>\$ 292,191</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 43,781	\$ 30,832
Employee deductions payable	-	11,466
	<b>43,781</b>	<b>42,298</b>
<b>NET ASSETS</b>		
Unrestricted	233,244	233,808
Invested in capital assets	6,786	16,085
	<b>240,030</b>	<b>249,893</b>
	<b>\$ 283,811</b>	<b>\$ 292,191</b>

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See notes to financial statements

**LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2025**

	Unrestricted		Invested in Capital Assets		2025	2024		
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$	233,808	\$	16,085	\$	<b>249,893</b>	\$	277,269
DEFICIENCY OF REVENUES OVER EXPENSES		(9,863)		-		<b>(9,863)</b>		(27,376)
Net additions to capital assets		-		-		-		-
Amortization of capital assets		9,299		(9,299)		-		-
<b>NET ASSETS - END OF YEAR</b>	\$	233,244	\$	6,786	\$	<b>240,030</b>	\$	249,893

See notes to financial statements

**LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY****Statement of Revenues and Expenditures****Year Ended December 31, 2025**

	2025	2024
<b>REVENUES</b>		
Fees	\$ 697,400	\$ 719,400
Grants	251,434	340,336
	<b>948,834</b>	<b>1,059,736</b>
<b>EXPENSES</b>		
Salaries and wages	499,941	465,934
Marketing expenses	140,906	185,660
Contract services	113,237	167,382
Public Relations & Hosting	70,979	102,887
Premise expenses	30,616	32,752
Travel	27,782	40,181
Computer-related expenses	27,590	35,964
Professional fees	10,536	15,053
Office	8,896	6,987
Telephone & internet	7,769	8,004
Meeting expenses	6,591	3,029
Insurance	4,224	2,912
Interest and bank charges	686	665
Strategic planning	-	10,768
Amortization	9,299	14,496
	<b>959,052</b>	<b>1,092,674</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>(10,218)</b>	<b>(32,938)</b>
<b>OTHER INCOME</b>	<b>355</b>	<b>5,562</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (9,863)</b>	<b>\$ (27,376)</b>

See notes to financial statements

**LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY****Statement of Cash Flows****Year Ended December 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (9,863)	\$ (27,376)
Item not affecting cash:		
Amortization of capital assets	9,299	14,496
	<b>(564)</b>	<b>(12,880)</b>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	12,949	(21,352)
Accounts receivable	-	13,338
Deferred grant income	-	(76,000)
Prepaid expenses	8,854	(10,539)
Goods and services tax payable	4,820	2,005
Employee deductions payable	(11,466)	2,999
	<b>15,157</b>	<b>(89,549)</b>
Cash flow from (used by) operating activities	<b>14,593</b>	<b>(102,429)</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	-	(2,870)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>14,593</b>	<b>(105,299)</b>
Cash - beginning of year	<b>233,442</b>	<b>338,741</b>
<b>CASH - END OF YEAR</b>	<b>\$ 248,035</b>	<b>\$ 233,442</b>
<b>CASH CONSISTS OF:</b>		
Cash	<b>\$ 248,035</b>	<b>\$ 233,442</b>

See notes to financial statements

**LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

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**1. PURPOSE OF THE ORGANIZATION**

The Organization is a non-profit organization incorporated without share capital under the Societies Act of Alberta. The organization promotes Lethbridge , Alberta as a destination. The Association is exempt from income taxes under section 149(1)(l) of the Canadian Income Tax Act.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

Lethbridge Destination Management Organization Society 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.

Revenue from fees for service are recongnized when the services are provided. Amounts received for the following years work is deferred.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, held by financial institutions in operating accounts, cheques issued in excess of cash on deposit.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis or straight-line at the following rates and methods:

Computer equipment	55%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	5 years	straight-line method

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Net assets

- a) Net assets invested in capital assets represents the unamortized portion of capital assets purchased with unrestricted resources, less debt, less unamortized deferred contributions.
- b) Unrestricted net assets represents the Organization's accumulated surplus.

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· LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY

Notes to Financial Statements

Year Ended December 31, 2025

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Use of estimates

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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3. ECONOMIC DEPENDENCE

The Association is economically dependent on the City of Lethbridge for funds to operate. 73% (68%-2024) of the revenue is from the City of Lethbridge.

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4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 26,637	\$ 25,475	\$ 1,162	\$ 2,582
Furniture and fixtures	18,885	14,148	4,737	5,922
Leasehold improvements	58,070	57,183	887	7,581
	<b>\$ 103,592</b>	<b>\$ 96,806</b>	<b>\$ 6,786</b>	<b>\$ 16,085</b>

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5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2025.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from the City of Lethbridge.

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**LETHBRIDGE DESTINATION MANAGEMENT ORGANIZATION SOCIETY****Expenses Schedule One****(Schedule 1)****Year Ended December 31, 2025**

	(Unaudited) Budget	2025
<b>EXPENSES</b>		
Salaries and wages	\$ 504,387	\$ 499,941
Marketing expenses	139,502	140,906
Contract services	71,080	113,237
Public Relations & Hosting	60,450	70,979
Premise expenses	37,984	30,616
Travel	34,962	27,782
Computer-related expenses	26,769	27,590
Professional fees	20,360	10,536
Office	6,783	8,896
Telephone & internet	8,280	7,769
Meeting expenses	18,000	6,591
Insurance	3,000	4,224
Interest and bank charges	716	687
	<b>\$ 932,273</b>	<b>\$ 949,754</b>

See notes to financial statements