CAPITAL REGION ASSESSMENT SERVICES COMMISSION

Financial Statements

Year Ended December 31, 2025

CAPITAL REGION ASSESSMENT SERVICES COMMISSION

Assessment Review Board *(Schedule 1)*

Year Ended December 31, 2025

	2025	2024
MEMBER REVENUES		
Annual fees	$ **18,584**	$ 18,531
NON-MEMBER REVENUES		
Annual fees	**78,243**	59,699
Clerk fees	**27,195**	17,600
Complaint fees	**26,400**	17,600
Panelist fees	**18,744**	10,700
	169,166	124,130
EXPENSES		
Management fees	**68,624**	54,556
Clerk fees	**29,260**	19,723
Panelists	**18,655**	12,857
Office and administration	**3,771**	1,436
Professional fees	**1,000**	1,000
	121,310	89,572
INCOME FROM OPERATIONS	$ **47,856**	$ 34,558

CAPITAL REGION ASSESSMENT SERVICES COMMISSION
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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Capital Region Assessment Services Commission

Opinion

I have audited the financial statements of Capital Region Assessment Services Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 24, 2025.

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 PSAS, 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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.

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As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Commission'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 Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission 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.

I 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 I identify during my audit.

Daniel W Roberts Professional Corporation

Edmonton, Alberta
April 20, 2026

Daniel W Roberts Professional Corporation
Chartered Professional Accountant

CAPITAL REGION ASSESSMENT SERVICES COMMISSION

Statement of Financial Position

As at December 31, 2025

	2025	2024
ASSETS		
Cash	$ **350,731**	$ 245,529
Investments *(Note 5)*	**206,756**	195,000
Accrued interest receivable	**2,393**	6,426
Accounts receivable	**16,841**	13,246
Goods and services tax recoverable	**37,115**	30,525
Damage deposits	**950**	950
Prepaid expenses	**997**	997
	$ **615,783**	$ 492,673
LIABILITIES		
Accounts payable and accrued liabilities	$ **93,707**	$ 88,757
Deferred revenue	**246,629**	162,658
	340,336	251,415
FEE STABILIZATION AND OPERATING RESERVE	**275,447**	241,258
	$ **615,783**	$ 492,673

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

CAPITAL REGION ASSESSMENT SERVICES COMMISSION

Statement of Operations

Year Ended December 31, 2025

	2025	2024
REVENUE		
Assessment revenue - Core	$ **962,283**	$ 888,395
Assessment Review Board *(Schedule 1)*	**169,166**	124,130
Assessment revenue - Industrial	**151,331**	144,374
Assessment revenue - Permits	**55,000**	55,000
Interest	**8,785**	8,376
Assessment revenue - Non core	**2,715**	920
	1,349,280	1,221,195
OPERATING EXPENSES		
Subcontract fees	**1,093,115**	1,024,831
Assessment Review Board *(Schedule 1)*	**121,310**	89,572
Management fees	**53,700**	50,640
Rent	**11,964**	11,964
Insurance	**11,362**	10,867
Professional fees	**10,000**	6,500
Board meetings *(Note 7)*	**6,495**	4,296
Office	**3,513**	3,127
Annual general meeting	**2,682**	2,072
Marketing	**950**	850
	1,315,091	1,204,719
EXCESS OF REVENUE OVER OPERATING EXPENSES	$ **34,189**	$ 16,476

CAPITAL REGION ASSESSMENT SERVICES COMMISSION

Statement of Changes in Net Assets

Year Ended December 31, 2025

	2024 Balance	Excess of revenue over operating expenses	**2025 Balance**
FEE STABILIZATION AND OPERATING RESERVE	$ 241,258	$ 34,189	**$ 275,447**

	2023 Balance	Excess of revenue over operating expenses	2024 Balance
FEE STABILIZATION AND OPERATING RESERVE	$ 224,782	$ 16,476	$ 241,258

CAPITAL REGION ASSESSMENT SERVICES COMMISSION

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over operating expenses	$ **34,189**	$ 16,476
Changes in non-cash working capital:		
Accrued interest receivable	**4,033**	(6,426)
Accounts receivable	**(3,595)**	(821)
Goods and services tax recoverable	**(6,590)**	(2,255)
Prepaid expenses	**-**	45
Accounts payable and accrued liabilities	**4,950**	(27,249)
Deferred revenue	**83,971**	(56,127)
Employee deductions payable	**-**	(219)
	82,769	(93,052)
Cash flow from (used by) operating activities	**116,958**	(76,576)
INVESTING ACTIVITY		
Purchase of short term investments	**(11,756)**	(195,000)
INCREASE (DECREASE) IN CASH FLOW	**105,202**	(271,576)
CASH - BEGINNING OF YEAR	**245,529**	517,105
CASH - END OF YEAR	$ **350,731**	$ 245,529

1. NATURE OF ORGANIZATION

The Capital Region Assessment Services Commission was established by Order in Council 174/96 on April 24, 1996 to provide quality and cost effective assessment services and assessment review services to its member municipalities and assessment review services to non-members. The Commission is a not-for-profit organization for income tax purposes

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements were prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations. Significant accounting policies adopted by the commission are as follows:

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards for government 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 amounts of revenues and expenses during the period. Estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Estimates made by management include:

- The evaluation of accounts receivable as to its collectability. An approximate allowance for doubtful accounts is provided where considered necessary

Financial instruments

Initial measurement

The Commission initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involved parties whose sole relationship with the Commission is in the capacity of management, are initially measured at cost

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Commission in the transaction.

Subsequent measurement

The Commission subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash, short term investments, accrued interest receivable and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

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

Impairment

For financial assets measured at cost or amortized cost, the Commission determines whether there are indications of possible impairment. When there are, and the Commission determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write down is recognized in the statement of operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be 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.

Cash and cash equivalents

Cash and cash equivalents includes funds held on deposit with a financial institution.

Revenue recognition

The Commission follows the deferral method of accounting for contributions and grants.

Restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions and grants received for which the related expenses are not yet incurred are recorded as deferred contributions. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Assessment and Assessment Review Board (ARB) revenues are recorded in the period to which they relate. Fees received which relate to a subsequent period are recorded as deferred revenue.

Interest revenue is recognized as it is earned.

Contributed goods and services

The Commission records the fair market value of contributed goods and services only in circumstances where the fair market value is determinable and where the goods and services would otherwise be purchased by the Commission.

3. FINANCIAL INSTRUMENTS

The Commission is exposed to various risks through its financial instruments. The following analysis provides information about the Commission's risk exposure and concentration as of December 31, 2025.

Credit risk

The Commission's exposure to credit risk relates to accounts receivable and arises from the possibility that a customer does not fulfil its obligations. This is minimized through a customer base comprised of municipalities. The Commission has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its receipt of funds from its customers and accounts payable. The Commission minimizes this risk by entering into contracts that determine fees payable ahead of time, holding certain cash reserves and budgeting accordingly.

Unless otherwise noted, it is management's opinion that the Commission is not exposed to significant other price risks arising from these financial instruments.

4. DEBT LIMITS

Section 3 of the Municipal Government Act requires that debt and debt limits as defined by Alberta Government Regulation 255/2000 for Capital Region Assessment Services Commission be disclosed as follows:

	2025	2024
Total debt limit	$ **2,698,560**	$ 2,442,390
Total debt	**-**	-
Amount of debt limit unused	$ **2,698,560**	$ 2,442,390
Debt servicing limit	$ **472,248**	$ 427,418
Debt servicing	**-**	-
Amount of debt servicing limit unused	$ **472,248**	$ 427,418

The debt limit is calculated at 2 times revenue of the commission (as defined in Alberta Regulation 255/2000) and the debt servicing limit is calculated at 0.35 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify commissions that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the commission. Rather, the financial statements must be interpreted as a whole.

5. SHORT TERM INVESTMENTS

	Maturity date	Interest rate %	2025	2024
Redeemable GIC	March 4, 2026	2.15%	$ **67,421**	$ 65,000
Non-redeemable GIC	October 4, 2026	2.65%	**139,335**	130,000
			$ **206,756**	$ 195,000

6. CONTRACTUAL OBLIGATIONS

Under the terms of a contract expiring December 31, 2029, the Commission is committed to annual payments of $99,534 plus GST for management services

The Commission has contracted to pay a number of assessors for assessment services. The terms of these contracts are annual from July 1 to June 30, expiring on June 30, 2029 and December 31, 2028. Payments required by these contracts for future years are approximately as follows:

Contractual obligation repayment schedule:

2026	$ 1,132,826
2027	1,165,171
2028	1,198,539
2029	518,038
	$ 4,014,574

7. BOARD MEETINGS

	Honoraria	Expenses	**2025**	2024
Blizzard	$ 875	$ 145	**$ 1,020**	$ 980
May	1,087	281	**1,368**	1,046
Quinn	1,478	329	**1,807**	1,318
MacPhee	1,312	530	**1,842**	952
Dhanoa	164	63	**227**	-
Roznicki	164	67	**231**	-
	$ 5,080	$ 1,415	**$ 6,495**	$ 4,296

8. RELATED PARTY TRANSACTIONS

The following is a summary of the Commission's related party transactions:

	2025	2024
City of Fort Saskatchewan		
Assessment revenue - Core	$ 305,637	$ 264,794
Assessment revenue - Permits	28,000	28,000
Assessment revenue - Industrial	147,684	138,915
Accounts receivable	8,728	7,178
Deferred revenue	119,516	110,156
Town of Bon Accord		
Assessment revenue - Core	$ 15,361	$ 14,362
Assessment revenue - Permits	750	750
Village of Spring Lake		
Assessment revenue - Core	$ 9,396	$ 8,858
Assessment revenue - Permits	250	250
Summer Village of Seba Beach		
Assessment revenue - Core	$ 8,867	$ 8,235
Assessment revenue - Permits	250	250
Accounts receivable	99	-
Town of Devon		
Assessment revenues - Core	$ 73,645	$ -
Accounts receivable	415	-

The Commission consists of 31 municipalities as members, with 5 of these municipalities having representative Councilors on the Commission's Board of Directors during the year. As the municipal representatives on the Board of Directors are directly involved in making key decisions for the Commission, the transactions of these respective municipalities have been included as related party transactions.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties

CAPITAL REGION ASSESSMENT SERVICES COMMISSION

Assessment Review Board *(Schedule 1)*

Year Ended December 31, 2025

	2025	2024
MEMBER REVENUES		
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NON-MEMBER REVENUES		
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