**VALOUR PLACE SOCIETY**

**Financial Statements**

**Year Ended December 31, 2024**

*(Unaudited)*

**VALOUR PLACE SOCIETY**
**Index to Financial Statements**
**Year Ended December 31, 2024**
*(Unaudited)*

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| | Page |
|---|---|
| INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT | 1 |
| FINANCIAL STATEMENTS | |
| Statement of Revenues and Expenditures | 2 |
| Statement of Changes in Net Assets | 3 |
| Statement of Financial Position | 4 |
| Statement of Cash Flow | 5 |
| Notes to Financial Statements | 6 - 10 |

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May 6, 2025
Edmonton, Alberta

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Valour Place Society

We have reviewed the accompanying financial statements of Valour Place Society (the Society) that comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (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.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Society derives revenue from contributions, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to contributions revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2024, current assets and net assets as at December 31, 2024.

### Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Valour Place Society as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Kingston Ross Pasnak LLP*

**Kingston Ross Pasnak LLP**
Chartered Professional Accountants

**VALOUR PLACE SOCIETY**

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2024**

*(Unaudited)*

| | **2024** | 2023 |
|---|---|---|
| **REVENUES** | | |
| Contributions | $ **481,622** | $ 409,908 |
| Casino revenue *(Note 8)* | **39,605** | 43,392 |
| | **521,227** | 453,300 |
| **EXPENSES** | | |
| Salaries and wages | **214,350** | 195,529 |
| Amortization of tangible assets | **141,210** | 144,461 |
| Repairs and maintenance *(Note 9)* | **100,439** | 83,178 |
| Utilities | **47,109** | 42,945 |
| Office | **32,214** | 25,451 |
| Insurance | **20,298** | 21,162 |
| Advertising and promotion | **17,711** | 21,114 |
| Professional fees | **7,841** | 8,750 |
| Interest and bank charges | **4,788** | 3,643 |
| Website and information technology | **4,666** | 5,003 |
| Vehicle and travel | **2,194** | 2,388 |
| Amortization of intangible assets | **1,547** | 1,547 |
| | **594,367** | 555,171 |
| **DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS** | **(73,140)** | (101,871) |
| OTHER INCOME (EXPENSES) | | |
| Unrealized gain on marketable securities | **393,315** | 355,303 |
| Investment income | **323,358** | 169,587 |
| Interest income | **4,771** | 6,592 |
| Management fees | **(50,383)** | (48,965) |
| | **671,061** | 482,517 |
| **EXCESS OF REVENUES OVER EXPENSES** | $ **597,921** | $ 380,646 |

See notes to financial statements

**VALOUR PLACE SOCIETY**
**Statement of Changes in Net Assets**
**Year Ended December 31, 2024**
*(Unaudited)*

| | 2024 | 2023 |
|---|---|---|
| **NET ASSETS - BEGINNING OF YEAR** | **$ 11,181,360** | $ 10,800,714 |
| EXCESS OF REVENUES OVER EXPENSES | **597,921** | 380,646 |
| **NET ASSETS - END OF YEAR** | **$ 11,779,281** | $ 11,181,360 |

See notes to financial statements

**VALOUR PLACE SOCIETY**
**Statement of Financial Position**
**December 31, 2024**
*(Unaudited)*

| | 2024 | 2023 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash and cash equivalents *(Note 3)* | **$ 322,360** | $ 357,526 |
| Marketable securities *(Note 4)* | **7,135,313** | 6,469,022 |
| Accounts receivable | **79,763** | - |
| Goods and Services Tax recoverable | **15,748** | 8,016 |
| | **7,553,184** | 6,834,564 |
| PROPERTY AND EQUIPMENT *(Note 5)* | **4,299,842** | 4,365,172 |
| INTANGIBLE ASSETS *(Note 6)* | **-** | 1,548 |
| LONG TERM INVESTMENTS *(Note 7)* | **35,996** | 34,571 |
| | **$ 11,889,022** | $ 11,235,855 |
| **LIABILITIES AND NET ASSETS** | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | **$ 24,217** | $ 14,890 |
| Deferred revenue *(Note 8)* | **85,524** | 39,605 |
| | **109,741** | 54,495 |
| NET ASSETS | **11,779,281** | 11,181,360 |
| | **$ 11,889,022** | $ 11,235,855 |

**ON BEHALF OF THE BOARD**

_______________________________ *Director*

_______________________________ *Director*

See notes to financial statements

**VALOUR PLACE SOCIETY**

**Statement of Cash Flow**

**Year Ended December 31, 2024**

*(Unaudited)*

| | 2024 | 2023 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Funding received | **$ 485,959** | $ 506,169 |
| Cash paid to suppliers and employees | **(437,497)** | (407,723) |
| Interest received | **4,771** | 6,592 |
| Interest paid | **(4,788)** | (3,643) |
| Goods and Services Tax | **(7,731)** | (3,974) |
| Cash flow from operating activities | **40,714** | 97,421 |
| **INVESTING ACTIVITIES** | | |
| Purchase of property and equipment *(Note 9)* | **(75,880)** | (78,046) |
| Purchase of marketable securities | **-** | (300,000) |
| Cash flow used by investing activities | **(75,880)** | (378,046) |
| **DECREASE IN CASH AND CASH EQUIVALENTS** | **(35,166)** | (280,625) |
| Cash and cash equivalents - beginning of year | **357,526** | 638,151 |
| **CASH AND CASH EQUIVALENTS - END OF YEAR** *(Note 3)* | **$ 322,360** | $ 357,526 |

During the year, the Society earned investment income totaling $323,358 (2023 – $169,587), all of which was reinvested directly into investment holdings and not received in cash.

These reinvested amounts have been excluded from the statement of cash flows, as they represent non-cash transactions.

## 1. PURPOSE OF THE SOCIETY

Valour Place Society (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to provide a temporary home away from home for all Canadian Forces members, RCMP, Families of the Fallen, Veterans and First Responders along with their families who require medical treatment in Edmonton, and live outside of the city/area.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit plus highly liquid short term investments, less cheques issued and outstanding. Highly liquid short term investments consist of guaranteed investment certificates with maturities at the date of purchase of one year or less.

Revenue recognition

Valour Place 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.

Unrestricted investment income is recognized as revenue when earned.

Investments and marketable securities

Marketable securities are recorded at fair value and consist of money market, fixed income and equity based instruments. The fixed income investments which consist of federal and corporate bonds are capable of prompt liquidation. The equity based investments are widely held and diversified and are traded on a regular basis on the recommendation of the investment manager and approval of the Society.

Long term investments are recorded at fair value and consist of cash accounts held for collateral against the Visa credit card.

*(continues)*

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

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

| | | |
|---|---|---|
| Buildings | 4% | declining balance method |
| Automotive | 30% | declining balance method |
| Furniture and fixtures | 30% | declining balance method |
| Computer equipment | 30% | declining balance method |

In the year of purchase, amortization on property and equipment is taken at one half of the normal amount.

Property and equipment acquired during the year but not available for use are not amortized until they are available for use.

Intangible assets

The website is being amortized on a straight-line basis over the estimated useful lives of ten years.

Contributed goods and services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

All arm's length financial instruments are initially measured at fair value. The Society subsequently measures its arm's length financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Related party financial instruments with repayment terms are measured at cost, which is equal to the undiscounted cash flows received, or expected to be received, not including expected interest and dividends, less any previously recognized impairment losses.

Measurement uncertainty

The preparation of financial statements in conformity 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 amounts of revenues and expenses during the period. The following amounts are subject to measurement uncertainty: collectibility of accounts receivable and the useful life of intangible assets and property and equipment. These estimates are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

## 3. CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|---|---|---|
| Cash | **$ 267,340** | $ 286,364 |
| Guaranteed Investment Certificate | **32,854** | 31,557 |
| Undeposited Funds | **22,166** | - |
| Restricted cash | **-** | 39,605 |
| | **$ 322,360** | $ 357,526 |

The Guaranteed Investment Certificate (GIC) constitutes a one-year redeemable investment bearing interest at a rate of 5.0% (2023 - 4.50%). The GIC matures on February 6, 2025.

Cash held in the casino and raffle account is restricted, as per restrictions set forth by the Alberta Gaming, Liquor and Cannabis Commission. These restrictions do not prevent the Society from using these funds for current purposes. All casino funds restricted in the prior year were fully spent during the current year, resulting in $nil balance in restricted cash at year-end.

## 4. MARKETABLE SECURITIES

| | 2024 | 2023 |
|---|---|---|
| Fixed income investments | **$ 3,808,703** | $ 3,680,650 |
| Equity investments | **2,990,052** | 2,466,520 |
| Cash equivalents | **336,558** | 321,852 |
| | **$ 7,135,313** | $ 6,469,022 |

Marketable securities are recorded at fair market value. The Society's fixed income Investments bear interest at rates of 0.80% to 4.57% (2023 - 0.8% to 4.20%). The remaining investments include publicly traded equities and are held in equity fund portfolios.

## 5. PROPERTY AND EQUIPMENT

| | Cost | Accumulated amortization | 2024 Net book value | 2023 Net book value |
|---|---|---|---|---|
| Land | $ 905,000 | $ - | **$ 905,000** | $ 905,000 |
| Buildings | 5,117,537 | 1,726,157 | **3,391,380** | 3,455,227 |
| Furniture and fixtures | 20,445 | 18,902 | **1,543** | 2,204 |
| Automotive | 53,665 | 52,370 | **1,295** | 1,850 |
| Computer equipment | 23,202 | 22,578 | **624** | 891 |
| | $ 6,119,849 | $ 1,820,007 | **$ 4,299,842** | $ 4,365,172 |

## 6. INTANGIBLE ASSETS

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Website | **$** | **15,471** | $ | 15,471 |
| Accumulated amortization | | **(15,471)** | | (13,923) |
| | **$** | **-** | $ | 1,548 |

## 7. LONG TERM INVESTMENTS

| | Purchase date | Maturity date | Interest rate % | | **2024** | | 2023 |
|---|---|---|---|---|---|---|---|
| GIC held for collateral | April 1, 2015 | Sept 1, 2027 | 3.20 (2023 - 4.2) | **$** | **12,819** | $ | 12,301 |
| GIC held for collateral | July 17, 2024 | July 17, 2025 | 2.25 (2023 - 4.1) | | **23,177** | | 22,270 |
| | | | | **$** | **35,996** | $ | 34,571 |

GIC's are held as collateral for the Visa credit card.

## 8. DEFERRED REVENUE

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Deferred revenue, beginning of year | **$** | **39,605** | $ | - |
| Casino event funds received/receivable | | **85,524** | | 82,997 |
| Amounts recognized in revenue | | **(39,605)** | | (43,392) |
| | **$** | **85,524** | $ | 39,605 |

The casino event was held near year-end, and the related funds were received after year-end.

## 9. RELATED PARTY TRANSACTIONS

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

| | | **2024** | | 2023 |
|---|---|---|---|---|
| VETS Group | | | | |
| *A company controlled by a Director of the Society* | | | | |
| Repairs and maintenance | **$** | **37,081** | $ | 34,294 |
| Building additions | | **72,267** | | 72,267 |

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.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.