VALOUR PLACE SOCIETY

Financial Statements

Year Ended December 31, 2025

(Unaudited)

VALOUR PLACE SOCIETY

Index to Financial Statements

Year Ended December 31, 2025

(Unaudited)

KINGSTON
ROSS
PASNAK LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1500, 9888 Jasper Avenue NW
Edmonton, Alberta T5J 5C6
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

May 5, 2026
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, 2025, 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, 2025, current assets and net assets as at December 31, 2025.

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, 2025, 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, 2025

(Unaudited)

		2025		2024
REVENUES				
Contributions	**$**	**537,305**	$	481,622
Casino revenue *(Note 7)*		**46,430**		39,605
		583,735		521,227
EXPENSES				
Salaries and wages		**229,104**		214,350
Amortization of tangible assets		**139,761**		141,210
Repairs and maintenance *(Note 8)*		**116,395**		100,439
Utilities		**42,161**		47,109
Office		**27,800**		32,214
Insurance		**23,194**		20,298
Advertising and promotion		**16,445**		17,711
Professional fees		**7,534**		7,841
Website and information technology		**5,970**		4,666
Interest and bank charges		**4,123**		4,788
Vehicle and travel		**2,802**		2,194
Amortization of intangible assets		**-**		1,547
		615,289		594,367
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS		**(31,554)**		(73,140)
OTHER INCOME (EXPENSES)				
Investment income		**379,160**		323,358
Unrealized gain on marketable securities		**360,922**		393,315
Interest income		**4,308**		4,771
Gain on disposal of assets		**1,500**		-
Management fees		**(55,611)**		(50,383)
		690,279		671,061
EXCESS OF REVENUES OVER EXPENSES	**$**	**658,725**	$	597,921

See notes to financial statements

VALOUR PLACE SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2025

(Unaudited)

	2025	2024
NET ASSETS - BEGINNING OF YEAR	**$ 11,779,281**	$ 11,181,360
EXCESS OF REVENUES OVER EXPENSES	**658,725**	597,921
NET ASSETS - END OF YEAR	**$ 12,438,006**	$ 11,779,281

See notes to financial statements

VALOUR PLACE SOCIETY

Statement of Financial Position

December 31, 2025

(Unaudited)

		2025		2024
ASSETS				
CURRENT				
Cash and cash equivalents *(Note 3)*	**$**	**365,626**	$	322,360
Marketable securities *(Note 4)*		**7,848,335**		7,135,313
Accounts receivable		**44,324**		79,763
Goods and Services Tax recoverable		**20,885**		15,748
		8,279,170		7,553,184
PROPERTY AND EQUIPMENT *(Note 5)*		**4,180,529**		4,299,842
LONG TERM INVESTMENTS *(Note 6)*		**37,213**		35,996
	$	**12,496,912**	$	11,889,022
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	**$**	**19,812**	$	24,217
Deferred revenue *(Note 7)*		**39,094**		85,524
		58,906		109,741
NET ASSETS		**12,438,006**		11,779,281
	$	**12,496,912**	$	11,889,022

ON BEHALF OF THE BOARD

______________________________ *Director*

______________________________ *Director*

See notes to financial statements

VALOUR PLACE SOCIETY

Statement of Cash Flow

Year Ended December 31, 2025

(Unaudited)

	2025	2024
OPERATING ACTIVITIES		
Funding received	**$ 544,192**	$ 485,959
Cash paid to suppliers and employees	**(475,809)**	(437,497)
Interest received	**4,308**	4,771
Interest paid	**(5,341)**	(4,788)
Goods and Services Tax	**(5,137)**	(7,731)
Cash flow from operating activities	**62,213**	40,714
INVESTING ACTIVITIES		
Purchase of property and equipment *(Note 8)*	**(20,447)**	(75,880)
Proceeds on disposal of property and equipment	**1,500**	-
Cash flow used by investing activities	**(18,947)**	(75,880)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**43,266**	(35,166)
Cash and cash equivalents - beginning of year	**322,360**	357,526
CASH AND CASH EQUIVALENTS - END OF YEAR *(Note 3)*	**$ 365,626**	$ 322,360

During the year, the Society earned investment income totaling $379,160 (2024 – $323,358), 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.

Also during the year, the Society received investments of $28,552 as a gift in kind. This non-cash transaction has been excluded from the statement of cash flows

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 redeemable 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.

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

	2025	2024
Cash	**$ 292,407**	$ 267,340
Restricted cash	**39,094**	-
Guaranteed Investment Certificate	**34,125**	32,854
Undeposited Funds	**-**	22,166
	$ 365,626	$ 322,360

The Guaranteed Investment Certificate (GIC) constitutes a one-year redeemable investment bearing interest at a rate of 2.40% (2024 - 5.00%). The GIC matures on February 6, 2026.

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.

4. MARKETABLE SECURITIES

	2025	2024
Fixed income investments	**$ 3,918,543**	$ 3,808,703
Equity investments	**3,603,203**	2,990,052
Cash equivalents	**326,589**	336,558
	$ 7,848,335	$ 7,135,313

Marketable securities are recorded at fair market value. The Society's fixed income Investments bear interest at rates of 0.80% to 2.68% (2024 - 0.8% to 4.57%). The remaining investments include publicly traded equities and are held in equity fund portfolios.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	**2025 Net book value**	2024 Net book value
Land	$ 905,000	$ -	**$ 905,000**	$ 905,000
Buildings	5,117,537	1,861,812	**3,255,725**	3,391,380
Furniture and fixtures	34,953	21,541	**13,412**	1,543
Automotive	53,665	52,758	**907**	1,295
Computer equipment	29,141	23,656	**5,485**	624
	$ 6,140,296	$ 1,959,767	**$ 4,180,529**	$ 4,299,842

6. LONG TERM INVESTMENTS

	Purchase date	Maturity date	Interest rate %	**2025**	2024
GIC held for collateral	April 1, 2025	Sept 1, 2027	3.20 (2024 - 3.20)	**$ 13,358**	$ 12,819
GIC held for collateral	July 17, 2025	July 17, 2026	2.15 (2024 - 2.25)	**23,855**	23,177
				$ 37,213	$ 35,996

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

7. DEFERRED REVENUE

	2025	2024
Deferred revenue, beginning of year	**$ 85,524**	$ 39,605
Casino event funds receivable	**-**	85,524
Amounts recognized in revenue	**(46,430)**	(39,605)
	$ 39,094	$ 85,524

8. RELATED PARTY TRANSACTIONS

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

	2025	2024
VETS Group		
A company controlled by a Director of the Society		
Repairs and maintenance	**$ 48,311**	$ 37,081
Building additions	**-**	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.