

Financial Statements of

INN FROM THE COLD SOCIETY

An Independent Auditor's Report thereon

Year ended March 31, 2026



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Inn from the Cold Society

Qualified Opinion

We have audited the financial statements of Inn from the Cold Society (the Entity), which comprise:

- the statement of financial position as at March 31, 2026;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "*Basis for Qualified Opinion*" section of our auditor's report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2026 and 2025;
- the donation and fundraising revenues and excess (deficiency) of revenues over expenses reported in the statements of operations for the years ended March 31, 2026 and 2025;



- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended March 31, 2026 and 2025; and
- the excess (deficiency) of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2026 and 2025.

Our opinion on the financial statements for the year ended March 31, 2025 was qualified accordingly because of the possible effects of this limitation in scope.

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 auditor’s report.

We are independent of the Entity in accordance with the 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 qualified opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor’s report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor’s report thereon, included in the annual report as at the date of this auditor’s report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

As described in the “Basis for Qualified Opinion” section above, we were unable to obtain sufficient appropriate evidence about the completeness of revenue from fundraising activities. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.



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

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

June 23, 2026

INN FROM THE COLD SOCIETY

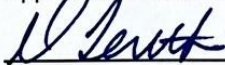
Statement of Financial Position

As at March 31, 2026, with comparative information for 2025

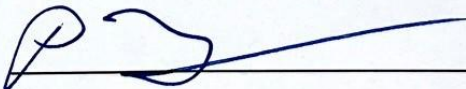
	Operating fund	Capital fund	Thrive fund	2026	2025
Assets					
Current assets:					
Cash and cash equivalents (note 3)	\$ 1,566,137	\$ 65,492	\$ 1,765,401	\$ 3,397,030	\$ 4,220,110
Internally restricted investments (note 3)	8,333,436	—	900,000	9,233,436	2,500,000
Accounts receivables	688,538	2,583	17,701	708,822	338,510
Prepaid expenses and other current assets	154,991	—	—	154,991	152,197
	10,743,102	68,075	2,683,102	13,494,279	7,210,817
Capital assets (note 4)	—	2,905,116	—	2,905,116	3,079,879
Other long-term assets (note 13)	400,000	—	—	400,000	600,000
Long-term investments (note 3)	—	—	3,379,116	3,379,116	5,275,110
	\$ 11,143,102	\$ 2,973,191	\$ 6,062,218	\$ 20,178,511	\$ 16,165,806
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued liabilities (notes 5 and 6)	\$ 975,199	\$ 44,525	\$ 4,183	\$ 1,023,907	\$ 525,101
Deferred revenue (note 7)	3,317,220	37,792	5,000	3,360,012	1,991,083
	4,292,419	82,317	9,183	4,383,919	2,516,184
Deferred capital contributions (note 8)	—	1,469,762	—	1,469,762	1,712,133
	4,292,419	1,552,079	9,183	5,853,681	4,228,317
Net assets (deficit):					
Internally restricted	5,907,949	71,980	6,039,516	12,019,445	9,617,668
Invested in capital assets	—	1,435,354	—	1,435,354	1,367,746
Unrestricted	942,734	(86,222)	13,519	870,031	952,075
	6,850,683	1,421,112	6,053,035	14,324,830	11,937,489
Commitments (note 12)					
Subsequent events (note 15)					
	\$ 11,143,102	\$ 2,973,191	\$ 6,062,218	\$ 20,178,511	\$ 16,165,806

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:



Director



Director

INN FROM THE COLD SOCIETY

Statement of Operations

For the year ended March 31, 2026, with comparative information for 2025

	Operating fund	Capital fund	Thrive fund	2026	2025
Revenues:					
Donations, sponsorships and fundraising revenue (note 9)	\$ 6,153,083	\$ –	\$ –	\$ 6,153,083	\$ 5,608,477
Grants (note 9)	8,693,023	–	–	8,693,023	4,874,122
Amortization of deferred capital contributions	–	259,805	–	259,805	301,446
Gifts in kind	244,056	–	–	244,056	166,306
Rental and other income	194,642	7,600	–	202,242	285,633
Finance income	298,034	1,424	132,196	431,654	359,464
Total revenue	\$15,582,838	\$ 268,829	\$ 132,196	\$15,983,863	\$11,595,448
Program expenses:					
Salaries and wages	6,790,970	–	–	6,790,970	4,822,955
Other operating expenses	1,763,819	–	–	1,763,819	1,067,317
Amortization	–	385,797	–	385,797	376,390
Diversion efforts	1,792,259	–	–	1,792,259	854,975
Fundraising	358,364	–	–	358,364	352,200
Direct client support	402,563	–	–	402,563	149,783
Utilities	151,586	–	–	151,586	142,144
Travel	16,594	–	–	16,594	20,165
	11,276,155	385,797	–	11,661,952	7,785,929
Administrative expenses:					
Salaries and wages	1,402,076	–	–	1,402,076	1,288,403
Administrative	750,487	–	–	750,487	731,961
Advertising and promotion	61,932	–	–	61,932	58,299
Amortization	–	33,548	–	33,548	30,805
Utilities	17,596	–	–	17,596	9,012
	2,232,091	33,548	–	2,265,639	2,118,480
Excess (deficiency) of revenues over expenses before transfers and other items					
	2,074,592	(150,516)	132,196	2,056,272	1,691,039
Unrealized gains (losses) on investments (note 3)	–	–	215,687	215,687	(3,612)
Realized gains on investments (note 3)	92,540	–	22,842	115,382	52,189
Excess (deficiency) of revenues over expenses					
	2,167,132	(150,516)	370,725	2,387,341	1,739,616
Fund balances, beginning of year	6,309,224	1,433,626	4,194,639	11,937,489	10,197,873
Interfund transfers	(1,625,673)	138,002	1,487,671	–	–
Fund balance, end of year	\$ 6,850,683	\$ 1,421,112	\$ 6,053,035	\$14,324,830	\$11,937,489

See accompanying notes to financial statements.

INN FROM THE COLD SOCIETY

Statement of Changes in Net Assets

For the year ended March 31, 2026, with comparative information for 2025

	Invested in capital assets	Internally restricted	Unrestricted	2026	2025
Net assets, beginning of year	\$ 1,367,746	\$ 9,617,668	\$ 952,075	\$ 11,937,489	\$ 10,197,873
Excess (deficiency) of revenues over expenses	(159,540)	379,749	2,167,132	2,387,341	1,739,616
Acquisition of capital assets, net of disposal	244,582	–	(244,582)	–	–
Addition of deferred capital contributions	(17,434)	–	17,434	–	–
Interfund transfers	–	1,487,671	(1,487,671)	–	–
	\$ 1,435,354	\$ 11,485,088	\$ 1,404,388	\$ 14,324,830	\$ 11,937,489

See accompanying notes to financial statements.

INN FROM THE COLD SOCIETY

Statement of Cash Flows

For the year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in) the following activities:		
Operating:		
Excess of revenues over expenses	\$ 2,387,341	\$ 1,739,616
Items not involving cash:		
Amortization expense	419,345	407,195
Amortization of deferred capital contributions	(259,805)	(301,446)
Gain on disposal of capital assets	(7,600)	(24,000)
Unrealized (gain)/loss on investments	(215,687)	3,612
Realized gains on investments	(115,382)	(52,189)
Finance income reinvested	(49,710)	—
Donations in the form of investments	(5,225)	—
Changes in non-cash working capital:		
Accounts receivable	(370,312)	(3,587)
Prepaid expenses and other current assets	(2,794)	(8,197)
Accounts payable and accrued liabilities	498,806	58,757
Deferred revenue	1,368,929	707,034
	<u>3,647,906</u>	<u>2,526,795</u>
Financing:		
Repayment of mortgage payable	—	(59,164)
Deferred capital contributions received (note 8)	17,434	85,386
	<u>17,434</u>	<u>26,222</u>
Investing:		
Receipt of contribution receivable (note 13)	200,000	200,000
Purchase of capital assets (note 4)	(244,582)	(286,973)
Proceeds on disposal of capital assets	7,600	25,250
Purchase of long-term investments	(2,608,557)	(1,998,317)
Proceeds from disposal of long term-investments	1,564,576	—
Proceeds from disposal of internally restricted investments	4,592,543	6,495,334
Purchase of internally restricted investments	(8,000,000)	(5,728,213)
	<u>(4,488,420)</u>	<u>(1,292,919)</u>
(Decrease) increase in cash and cash equivalents	(823,080)	1,260,098
Cash and cash equivalents, beginning of year	4,220,110	2,960,012
Cash and cash equivalents, end of year	<u>\$ 3,397,030</u>	<u>\$ 4,220,110</u>

See accompanying notes to financial statements.

INN FROM THE COLD SOCIETY

Notes to Financial Statements

For the year ended March 31, 2026, with comparative information for 2025

1. Nature of the organization:

Inn from the Cold Society (the "Society") is incorporated under The Societies Act of Alberta. The Society offers emergency shelter, essential needs, supported housing, and a comprehensive continuum of collateral services to families experiencing homelessness. The Society's mission is to provide shelter, sanctuary, and healing to assist homeless children and their families in achieving independence.

During the prior year, the Society acquired the assets of Emma Maternity House Society, a non-profit charity, operating within the community to support families in finding stability during times of crisis. Emma House's operations ceased effective October 1, 2024, and the Society assumed the program's operations. In consideration of \$1, Inn from the Cold acquired certain non-significant assets and liabilities of Emma House. After closing costs were settled and upon dissolution of Emma Maternity House Society, the final cash transfer was a donation of \$10,427 to Inn from the Cold, received during the year.

The Society has three established funds as follows:

(i) Operating Fund:

The Operating Fund accounts for the Society's program delivery and administrative activities related to its operations. The Board of Directors may transfer a portion of the accumulated Operating Fund balance to the Capital Fund and/or Thrive Fund.

(ii) Capital Fund:

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets and projects under development.

(iii) Thrive Fund:

The Thrive Fund reports the assets, liabilities, revenues and expenses related to the Society's activities to develop long-term sustainability for the facilities connected to the Family Hub Intentions Agreement outlined in note 13. The Thrive fund also serves as an investment fund in which surpluses can be placed to create sustainability for programs and services

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CPA Handbook and, in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 2

For the year ended March 31, 2026, with comparative information for 2025

2. Significant accounting policies (continued):

(a) Revenue recognition:

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period 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.

Donations in kind are recorded at fair value when fair value can be reasonably determined and the donated items would have otherwise been purchased.

Deferred revenues represent designated donations received in the current year which are used to subsidize families and fund operations in a subsequent year. Recognition of these amounts as revenue is deferred to subsequent years when the related expenses are incurred.

Donations restricted for the purchase of capital assets are recorded as deferred capital contributions and amortized into revenue in order to match the amortization recorded on the capital assets, which were purchased with restricted funds.

Revenue from all other sources is included in the year in which it is received or receivable if the amount to be received can be reasonably estimated and collections are reasonably assured.

(b) Cash and cash equivalents:

Cash consists of cash on hand and balances with banks. Cash equivalents consist of gift cards.

(c) Capital assets:

Purchased capital assets are recorded at cost. The cost from contributed capital assets is considered to be fair value at the date of contribution. These contributions are deferred and amortized over the useful life of the asset at the same method and rate as the expense.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Building improvements are amortized using the straight-line method over the remaining estimated useful life of the building.

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 3

For the year ended March 31, 2026, with comparative information for 2025

2. Significant accounting policies (continued):

(c) Capital assets (continued):

Assets under construction are not amortized until the asset is available for productive use.

Building	20 years
Building improvements	Remaining life of building
Tenant improvements	5 years
Vehicles	5 years
Furniture, fixtures, and equipment	3 - 5 years
Computer equipment	3 years

The Society regularly reviews its capital assets to eliminate obsolete items. Capital assets acquired during the year are not amortized until they are available for use. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and exceeds its fair value. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value.

(d) Contributed services:

Volunteers contribute a significant number of hours per year to assist the Society in carrying out its program activities. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to record it at fair value. The Society has not elected to carry any financial instruments at fair value other than investments.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using an effective interest rate method.

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 4

For the year ended March 31, 2026, with comparative information for 2025

2. Significant accounting policies (continued):

(e) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(f) Measurement uncertainty:

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets. Such 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.

(g) Goods and services tax:

Goods and services tax is recoverable at 50% as a rebate of the amounts paid. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

(h) Income taxes:

The Society is registered as a charitable society under the Income Tax Act of Canada (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Society must meet the certain requirements within the Act. In the opinion of management, these requirements have been met.

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 5

For the year ended March 31, 2026, with comparative information for 2025

3. Restricted cash and cash equivalents and investments:

Restricted cash and cash equivalents, and investments consist of the following restricted amounts:

	2026	2025
Internally restricted for operations:		
Cash and cash equivalents	\$ 825,073	\$ 795,029
Internally restricted investments	8,333,436	1,600,000
Long-term investments	–	3,228,213
	<u>9,158,509</u>	<u>5,623,242</u>
Internally restricted for capital projects:		
Cash and cash equivalents	48,629	47,530
Internally restricted for future growth opportunities:		
Cash and cash equivalents	1,000,000	1,000,000
Internally restricted for future growth opportunities:		
Investments	900,000	900,000
Restricted by external sources for operations:		
Cash and cash equivalents	505,000	5,000
Restricted by external sources for capital projects:		
Cash and cash equivalents	14,326	55,226
Thrive Fund:		
Internally restricted for future growth opportunities		
Long-term investments	3,379,116	2,046,897
	<u>\$15,005,580</u>	<u>\$ 9,677,895</u>

The Society's Board of Directors internally restricts funds with the objective of having a reserve for operations to cover approximately six months of estimated future operating costs, and to ensure access to funds for required capital projects.

Restrictions by external sources consist of third-party contributions designated for specific purposes.

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 6

For the year ended March 31, 2026, with comparative information for 2025

3. Restricted cash and cash equivalents and investments (continued):

Guaranteed Investment Certificates (“GICs”) totaling \$9,228,213 are scheduled to mature and earn interest as follows:

GIC #1	\$ 3,228,213	*2.95%	April 2, 2026
GIC #2	\$ 500,000	3.21%	April 7, 2026
GIC #3	\$ 500,000	3.00%	April 14, 2026
GIC #4	\$ 100,000	3.52%	June 1, 2026
GIC #5	\$ 1,500,000	*2.95%	June 29, 2026
GIC #6	\$ 400,000	3.70%	September 3, 2026
GIC #7	\$ 100,000	*2.95%	September 7, 2026
GIC #8	\$ 900,000	*2.95%	September 7, 2026
GIC #9	\$ 500,000	3.15%	November 30, 2026
GIC #10	\$ 250,000	3.12%	December 21, 2026
GIC #11	\$ 250,000	3.25%	December 21, 2026
GIC #12	\$ 500,000	2.95%	February 17, 2027
GIC #13	\$ 250,000	3.20%	March 2, 2027
GIC #14	\$ 250,000	3.20%	March 2, 2027
	<hr/>		
	\$ 9,228,213		

* Variable rate – RBC bank prime less 2.0%

(2025 – six GICs totaling \$2,500,000, matured on or before March 31, 2026, earning interest at rates of 3.60% - 4.31% per annum. One GIC totaling \$3,228,213, earning interest at 2.95% per annum, was outstanding at March 31, 2025, and did not mature in the current year).

The Society’s GIC investments have been internally restricted by the Society’s Board of Directors.

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 7

For the year ended March 31, 2026, with comparative information for 2025

4. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,000,000	\$ –	\$ 1,000,000	\$ 1,000,000
Building	1,967,610	820,272	1,147,338	1,245,681
Tenant improvements	452,249	274,608	177,641	238,266
Vehicles	98,879	40,214	58,665	15,673
Furniture, fixtures and equipment	1,669,292	1,288,107	381,185	515,357
Computer equipment	526,341	465,122	61,219	35,986
Assets under construction	79,068	–	79,068	28,916
	<u>\$ 5,793,439</u>	<u>\$ 2,888,323</u>	<u>\$ 2,905,116</u>	<u>\$ 3,079,879</u>

During the year, capital assets were acquired with cash at an aggregate cost of \$244,582 (2025 – \$286,973).

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$688 (2025 – \$1,138), which include amounts payable related to payroll.

6. Accrued liabilities for repayment of funding:

Included in accounts payable and accrued liabilities are accrued amounts owing to various funders in relation to program surpluses. The Society has accrued \$136,758 (2025 – \$6,241) payable to the Calgary Homeless Foundation, \$7,200 (2025 – \$nil) payable to the Province of Alberta, \$19,615 (2025 – \$nil) payable to the Stoney Nakoda – Tsuut'ina Tribal Council Ltd. and \$63,488 (2025 – \$6,241) payable to the City of Calgary.

7. Deferred revenue:

The Society's contributors restrict certain contributions for specific purposes. Recognition of these amounts is deferred to the years in which the specified expenses are incurred.

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 8

For the year ended March 31, 2026, with comparative information for 2025

7. Deferred revenue (continued):

Changes in unspent deferred revenue are as follows:

	Operating	Capital	Thrive
Balance, March 31, 2024	\$ 1,241,569	\$ 37,481	\$ 5,000
Amounts received during the year	4,244,785	–	–
Amounts re-designated for use for capital	(103,131)	17,745	–
Amounts recognized as revenue during the year	(3,452,366)	–	–
Balance, March 31, 2025	1,930,857	55,226	5,000
Amounts received during the year	6,128,617	–	–
Amounts re-designated for use for capital	–	(17,434)	–
Amounts recognized as revenue during the year	(4,742,254)	–	–
Balance, March 31, 2026	\$ 3,317,220	\$ 37,792	\$ 5,000

8. Deferred capital contributions:

The Society's contributors have provided the following amounts for acquisition of capital assets. Recognition of these amounts is deferred and amortized into revenues on the same basis as the amortization expense recognized on the capital assets the contributions were used to purchase.

	2026	2025
Balance, beginning of year	\$ 1,712,133	\$ 1,928,193
Amounts invested in capital assets during the year	17,434	85,386
Amount recognized as revenue during the year	(259,805)	(301,446)
	\$ 1,469,762	\$ 1,712,133

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 9

For the year ended March 31, 2026, with comparative information for 2025

9. Revenue:

The major categories of revenue are:

	2026	2025
Donations, sponsorships and fundraising revenue:		
Donations	\$ 5,477,259	\$ 4,975,275
Sponsorships	290,730	284,803
Fundraising	385,094	348,399
	6,153,083	5,608,477
Grants:		
Provincial	6,118,084	3,123,170
Municipal	340,991	102,124
Private	2,233,948	1,648,828
	8,693,023	4,874,122
	\$ 14,846,106	\$ 10,482,599

10. Financial instruments:

The Society is exposed to the following significant financial risks:

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society does not have a concentration of credit exposure with any one party. The Society does not consider itself exposed to undue credit risk.

The Society is exposed to credit risk relating to cash and cash equivalents and investments. The risk is mitigated as cash and cash equivalents and GICs, are deposited with major Canadian financial institutions. Investments are managed by an investment manager who works towards maintaining the portfolio of investments within the framework of the Society's statement of investment policy.

The Society is exposed to credit risk relating to accounts receivable, which is influenced by the individual characteristics of each debtor. The majority of the accounts receivable are from financial institutions and government agencies. The Foundation limits its exposure to credit risks by dealing with only creditworthy organizations. Management does not expect any debtor to fail to meet their obligations.

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 10

For the year ended March 31, 2026, with comparative information for 2025

10. Financial instruments (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society manages its liquidity risk through cash and debt management.

(c) Interest rate risk:

Interest rate risk arises on cash and cash equivalents and investments. The Society is exposed to interest rate risk due to fluctuations in the bank's interest rates. The Society's internally restricted investments accrue interest at both fixed and variable rates, while its mortgage payable incurs interest at a fixed rate. With the addition of portfolio-managed long-term investments, the Society faces a managed risk related to interest rates or foreign exchange.

There has been no significant change to the Society's risk as compared to the prior year, other than changes in the investment portfolio.

11. Fundraising activities:

In accordance with the requirements of the Charitable Fund-raising Act and Regulation, the Society is required to disclose the following information.

Gross contributions received during the year ended March 31, 2026, were \$7,184,810 (2025 – \$6,624,140). Of these contributions, \$6,322,633 (2025 – \$5,829,243) were used for program expenses, and the remaining \$867,177 (2025 – \$794,897) were used for administrative expenses.

Expenses incurred for the purposes of soliciting contributions were \$453,177 (2025 – \$352,200). In addition to this amount, remuneration paid to employees during the year whose principal duties involve fundraising was \$387,327 (2025 – \$322,754).

12. Commitments:

At March 31, 2026, the Society has various commitments related to operating leases for certain office premises, software licensing and contractor agreements expiring on or before March 31, 2049.

Effective March 3, 2022, the Society entered into the Family Hub Lease Agreement with HomeSpace Society (note 13). The Society is subject to lease commitments per the lease agreement, including the Workplace Lease and the 4th Floor Lease. The 4th Floor Lease shall include, at a minimum, a lease term of one year and equal the rents for the 10 units providing supportive housing (annual payment of \$101,112).

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 11

For the year ended March 31, 2026, with comparative information for 2025

12. Commitments (continued):

Effective April 1, 2025, the Society entered into an addendum lease agreement with HomeSpace Society, which includes the 5th Floor and basement space and is subject to commitments per the amended/new lease agreements.

The 5th Floor Lease shall include, at a minimum, a lease term of one year and equal the rents for the 12 units providing supportive housing (annual payment of \$111,096).

The Basement lease shall include, at a minimum, a lease of a one-year term and equal the rent for 2 units providing storage for donated goods and office space (annual payment of \$11,332).

The Workplace Lease includes the following:

- A lease term for 40 years commencing on the date when the lease premises were ready for full occupancy;
- Basic rent shall be set out in the Workplace Lease and fixed for the first 27 years (annual payment of \$208,972 for base rent and an estimated amount of \$93,000 for recovery of operating costs), with the basic rent for the remaining 13 years to be negotiated based on the parameters set out in the Workplace Lease;
- Operating cost recovery for the Society's proportionate share of operating costs; and
- The Society shall have the right to surrender the Workplace Lease at any time on not less than 12 months' notice to HomeSpace Society.

At March 31, 2026, the Society's other estimated minimum commitments for operating space, software licensing, and contractor agreements are as follows:

2027	\$ 634,151
2028	154,444
2029	122,750
2030	96,253
2031	64,169

INN FROM THE COLD SOCIETY

Notes to Financial Statements, page 12

For the year ended March 31, 2026, with comparative information for 2025

13. Family Hub Intentions Agreement:

Effective May 17, 2021, the Society entered into the Family Hub Intentions Agreement with HomeSpace Society in relation to the acquisition and development of the Multi-generational Family Hub Building at 706 7th Avenue SW (the "Redevelopment"). This agreement created the existence of a Project Thrive Capital Campaign Committee, a joint committee between HomeSpace and the Society, to coordinate the fundraising efforts and other matters related to the Redevelopment and the Family Hub. HomeSpace is the registered owner of the land and building, and the Society leases the premises (note 12). Fundraising commitments made to HomeSpace, associated with the redevelopment costs, have been fulfilled and monies transferred over in the prior year.

In 2026, the Society has recognized a contribution receivable of \$600,000 (2025 – \$800,000). The contribution receivable is comprised of \$200,000 (2025 – \$200,000) contained within accounts receivable and \$400,000 (2025 – \$600,000) in other long-term assets.

14. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year to better align with the needs of the stakeholders. These reclassifications did not impact the Society's excess of revenue over expenses.

15. Subsequent events:

Effective April 1, 2026, the Society entered into a grant funding agreement with the Government of Alberta to support the operation and programming of a family housing project located in northeast Calgary (the "Whitehorn Family Project") for the term starting April 1, 2026 until March 31, 2027. The maximum funding that can be received under the agreement is \$2,581,352 (2025 – \$nil). Unspent funds are repayable to the Government of Alberta upon expiration or termination of the agreement.

On April 28, 2026, the Society entered into a Services and Funding Agreement with Miskanawah Community Services Association to deliver culturally focused family support programming in connection with the Whitehorn Family Project for the term starting April 28, 2026 until March 31, 2027. The total commitment under this agreement is \$350,000 (2025 – \$nil).

On May 1, 2026, the Society entered into a Lease and Low Income Management Housing agreement with Homespace Society in relation to the Whitehorn Family Project until March 31, 2027 and one-year renewals. The basic rent payments under this lease agreement are \$1,500 a month.