
Financial statements of Special Olympics British Columbia Society

June 30, 2026

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Independent Auditor's Report

To the Board of Directors of
Special Olympics British Columbia Society

Qualified Opinion

We have audited the financial statements of Special Olympics British Columbia Society (the "Society"), which comprise the statement of financial position as at June 30, 2026, and the statements of operations and changes in fund balances for the unrestricted fund, endowment and internally restricted funds, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively 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 report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2026, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenues over expenses, and cash flows from operations for the years ended June 30, 2026 and 2025, current assets as at June 30, 2026 and 2025, and net assets as at July 1 and June 30 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended June 30, 2026 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Society 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 audit 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 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 GAAS 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 GAAS, 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 Society'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 Society'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 Society 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
September 16, 2026

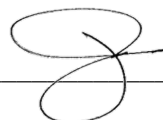
Special Olympics British Columbia Society
Statement of financial position
As at June 30, 2026

	Notes	2026 \$	2025 \$
Assets			
Current assets			
Cash - operating fund	3	1,789,156	1,482,320
Investments - short term	4	882,532	1,800,000
Accounts receivable		415,117	346,386
Inventory		15,651	22,984
Prepaid expenses and deposits		126,979	199,638
		3,229,435	3,851,328
Investments - endowment funds	5	3,498,295	2,925,802
Other long-term investments	6	2,947,132	2,407,009
Equipment	7	33,963	3,121
Deposit		5,474	5,474
		9,714,299	9,192,734
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	238,677	247,336
Deferred revenue	8	276,481	646,927
		515,158	894,263
Contingency	11		
Commitments	12		
Net assets			
Unrestricted fund	9	5,700,846	5,372,669
Endowment funds	5	3,498,295	2,925,802
		9,199,141	8,298,471
		9,714,299	9,192,734

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 _____, Director

 _____, Director

Special Olympics British Columbia Society**Statement of operations and changes in fund balance - unrestricted fund**

Year ended June 30, 2026

	Notes	2026 \$	2025 \$
Revenue			
Grants, donations and sponsorships		2,077,816	1,650,270
Event revenue		1,838,742	1,390,795
Interest and other		361,907	275,253
Gaming		25,968	22,750
Merchandise and service sales		25,536	19,129
		4,329,969	3,358,197
Expenses			
Operations			
Personnel	2, 14 and 15	1,885,542	1,875,669
Direct operating costs		1,722,122	887,012
		3,607,664	2,762,681
General and administrative			
General and administrative		366,868	310,878
Personnel	2, 14 and 15	328,420	332,839
Amortization of equipment		5,739	2,080
		701,027	645,797
		4,308,691	3,408,478
Excess (deficiency) of revenue over expenses before the undernoted		21,278	(50,281)
Gain on other long-term investments		281,180	123,100
Excess of revenue over expenses before for the year		302,458	72,819
Unrestricted fund balance, beginning of year		5,372,669	5,279,608
Transfer to the unrestricted fund from the SOBC Foundation		25,719	20,242
Unrestricted fund balance, end of year		5,700,846	5,372,669

The accompanying notes are an integral part of the financial statements.

Special Olympics British Columbia Society

Statement of operations and changes in fund balances - endowment and internally restricted funds

Year ended June 30, 2026

						Endowment
	Howard G. Carter Fund \$	Bob and Marge McNary Fund \$	Gordon Walker Memorial Fund \$	John M. Sims Fund \$	Special Olympics British Columbia Foundation \$	Total endowment \$
Fund balance, June 30, 2024	1,386,075	108,100	295,191	350,958	422,166	2,562,490
Revenue						
Interest and other	37,239	2,904	7,931	9,429	20,242	77,745
Gain on long term investments	182,958	14,268	38,965	47,372	22,246	305,809
	220,197	17,172	46,896	56,801	42,488	383,554
Transfer to unrestricted fund	—	—	—	—	(20,242)	(20,242)
Fund balance, June 30, 2025	1,606,272	125,272	342,087	407,759	444,412	2,925,802
Revenue						
Interest and other	36,069	2,813	7,681	9,156	25,719	81,438
Gain on long term investments	324,373	25,298	69,082	82,343	15,678	516,774
	360,442	28,111	76,763	91,499	41,397	598,212
Transfer to unrestricted fund	—	—	—	—	(25,719)	(25,719)
Fund balance, June 30, 2026	1,966,714	153,383	418,850	499,258	460,090	3,498,295

The accompanying notes are an integral part of the financial statements.

Special Olympics British Columbia Society**Statement of cash flows**

Year ended June 30, 2026

	2026 \$	2025 \$
Operating activities		
Unrestricted fund - excess of revenue over expenses for the year	302,458	72,819
Endowment and internally restricted funds - excess of revenue over expenses for the year	598,212	383,554
Add back non-cash items		
Amortization	5,739	2,080
Gain on long-term investments	(797,954)	(428,909)
	108,455	29,544
Changes in non-cash working capital items		
Accounts receivable	(68,731)	50,662
Inventory	7,333	(2,454)
Prepaid expenses	72,659	(185,238)
Accounts payable and accrued liabilities	(8,659)	47,913
Deferred revenue	(370,446)	435,616
	(259,389)	376,043
Investing activities		
Purchase of investments, endowment funds	(55,719)	(57,503)
Purchase of other long-term investments	(258,943)	(1,222,205)
Purchase of short term investments	(882,532)	(1,000,000)
Proceeds from short term investments	1,800,000	2,558,221
Purchase of equipment	(36,581)	—
	566,225	278,513
Net increase in cash	306,836	654,556
Cash, beginning of year	1,482,320	827,764
Cash, end of year	1,789,156	1,482,320

The accompanying notes are an integral part of the financial statements.

Special Olympics British Columbia Society

Notes to the financial statements

June 30, 2026

1. Description of the organization

Special Olympics British Columbia Society (the "Society") is a provincial organization operating programs for the benefit of athletes with an intellectual disability. It is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Canadian Income Tax Act.

The Society meets its objectives with the cooperation of many local committees that organize programs and events held throughout British Columbia. The Society acts as a governing body over those committees.

The Society excludes the programs and events administered by local committees from consolidation as the control over those activities is exercised by the locally elected committees. These financial statements include only those assets, liabilities, revenues and expenditures directly attributable to the Society and does not include the operating results of the local committees.

Summarized unaudited financial statement information of these committees is as follows:

	2026	2025
	\$	\$
Total assets	4,266,392	3,973,817
Net assets	4,266,392	3,973,817
Revenue	2,541,857	2,119,340
Expenses	2,326,045	1,609,846
Excess of revenue over expenses	215,812	509,494

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following significant policies:

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value when the Society becomes a party to the contractual provisions of the financial instrument. Subsequently, Investments - restricted for endowment purposes and other long-term investments are measured at fair value and all other financial instruments are measured at amortized cost.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

With respect to financial assets measured at amortized cost, the Society recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

Special Olympics British Columbia Society

Notes to the financial statements

June 30, 2026

2. Significant accounting policies (continued)

Cash

Cash includes cash and short term deposits with a term to maturity of 90 days or less at the date of deposit.

Inventory

Inventory is recorded at the lower of cost and current replacement cost with the cost being determined on a first-in, first-out basis.

Equipment

Purchased equipment is recorded at cost, and donated equipment is recorded at fair value. Equipment is amortized on a straight-line basis over its estimated useful life as follows:

Photocopier	5 years
Vehicles	5 years

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed. No impairment losses have been identified by the Society for the year ended June 30, 2026.

Revenue and expense recognition

The Society follows the deferral method of accounting for revenues. Revenues restricted for specific expenditures are recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenues are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Revenue in the endowment funds includes interest income and gains and losses on investments measured at fair value.

Donations are recorded when collection is reasonably assured.

Event and gaming revenues are recorded on an accrual basis with amounts recognized during the respective periods in which the underlying activities occur.

Direct costs related to certain fundraising activities which the Society does not directly control are recorded net of the related revenue.

Expenditures are recorded on an accrual basis. A portion of salaries and wages of certain administrative personnel are allocated to operations expenses based on the time spent by those individuals on games and other operations related to events of the Society. Additional disclosures are included in Note 15.

Donated materials and services

Donated materials are recorded at fair value where fair value can be reasonably estimated. Donated services are not recorded as their fair value cannot be reasonably estimated.

Special Olympics British Columbia Society

Notes to the financial statements

June 30, 2026

2. Significant accounting policies (continued)

Use of estimates

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are used for, but not limited to the fair value of investments, accrued liabilities and contingencies. Actual results may differ from those estimates.

3. Externally restricted funds

As at June 30, 2026, \$25,968 (\$22,750 in 2025) is included in cash which relates to proceeds received from gaming activities. The use of funds realized from gaming activities is restricted under the Provincial Gaming Control Act to certain eligible charitable activities and specified overhead expenditures.

4. Investments – short term

Investments consist of \$882,532 (\$1,800,000 in 2025) in GICs held with Canaccord Genuity. The investments have maturity dates during September 2026.

5. Investments - endowment funds

	2026 \$	2025 \$
Howard G. Carter Fund (a)	1,966,714	1,606,272
Bob and Marge McNary Fund (b)	153,383	125,272
Gordon Walker Memorial Fund (c)	418,850	342,087
John M. Sims Fund (d)	499,258	407,759
	3,038,205	2,481,390
Special Olympics British Columbia Foundation (e)	460,090	444,412
	3,498,295	2,925,802

(a) This fund was established in 1988 as a memorial endowment fund in recognition of Howard G. Carter's years of work and dedication to the Society. The primary investment objective of this fund is to provide long-term continuance of the purpose of the Society.

In addition, during 1990 the Society established a permanent endowment fund under the auspices of the Vancouver Foundation, the interest of which is for the account of the Howard G. Carter Fund. The Society paid the Vancouver Foundation a non-refundable deposit of \$10,000 and cumulative contributions to date of \$75,000. The Vancouver Foundation has matched the contributions and the Society receives quarterly interest payments based on a principal balance of \$160,000. This principal balance is not shown in these financial statements.

Special Olympics British Columbia Society

Notes to the financial statements

June 30, 2026

5. Investments - endowment funds (continued)

- (b) During the year ended June 30, 2003, the Society received a contribution which was designated as a memorial endowment fund. The primary investment objective of this fund is to provide long-term continuance of the purpose of the Society. The restricted fund was formally established as the Marge McNary Memorial Fund on July 17, 2003 and renamed as the Bob and Marge McNary Fund on March 14, 2018.
- (c) During the years ended June 30, 2012 and June 30, 2015, the Society received contributions from the estate of a former Special Olympics athlete, Gordon Walker, which were designated as a memorial endowment fund. The primary investment objective of this fund is to provide long-term continuance of the purpose of the Society.
- (d) During the years ended June 30, 2012 and June 30, 2015, the Society received capital contributions from a group of donors in honour of John M. Sims which were designated as a memorial endowment fund. The primary investment objective of this fund is to provide long-term continuance of the purpose of the Society.

The assets in these funds consist of long-term investments in bonds and equities pooled funds and are administered by Connor, Clark and Lunn Financial Group under the direction of the Society's Board of Directors.

- (e) During the year ended June 30, 2005, the Society received a contribution which was designated as a memorial endowment fund (the "SOBC Foundation"). The primary investment objective of this fund is to provide long-term continuance of the purpose of the Society. The fund is held and invested by the Vancouver Foundation. Income generated from the SOBC Foundation is disbursed to the Society as long as the Society is a registered charity. The Society has the right to retract the amount subject to certain restrictions, after at least three years from the date that the aggregate amount contributed to the fund exceeds \$100,000. If the Society ceases to exist, the Vancouver Foundation will disburse the funds to Special Olympics Canada. The endowment fund was formally established as the Special Olympics British Columbia Foundation Fund on June 27, 2005.

6. Other long-term investments

Other long-term investments consist of bonds and equities that are administered by Connor, Clark & Lunn Financial Group under the direction of the Society's Board of Directors. At June 30, 2026, the market value of these investments was \$2,947,132 (\$2,407,009 in 2025).

7. Equipment

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
	\$	\$	\$	\$
Vehicles	36,581	3,658	32,923	—
Photocopier	26,518	25,478	1,040	3,121
	63,099	29,136	33,963	3,121

Special Olympics British Columbia Society

Notes to the financial statements

June 30, 2026

8. Deferred revenue

Deferred revenue includes event revenues relating to registration fees, fundraising receipts and grants that have been received in advance. The amounts will be recognized as revenue in subsequent years when the related expenditures have been incurred.

	2026	2025
	\$	\$
Beginning balance	646,927	211,311
Add: amount received related to subsequent years	276,481	646,927
Less: amount recognized as revenue in the year	(646,927)	(211,311)
Ending balance	276,481	646,927

As at June 30, 2026, the significant categories of deferred revenue are sponsorship funds received relating to ViaSport contribution agreements, Special Olympics Canada and other funding received in advance of the funded year. These funds will be recognized in the next fiscal year.

9. Fund balances

Should the Society be wound up, the Directors have resolved to donate the unrestricted and restricted fund balances to one or more recognized charitable organizations having the same or similar purposes as the Society. There are no plans to wind up the Society.

10. Related party disclosures

Within accounts payable and accrued liabilities is a balance of \$20,788 (\$22,384 in 2025) related to funds held on behalf of inactive local committees. The funds will be transferred back to the local committees once activity resumes.

11. Contingency

In the event that any local committees of the Special Olympics British Columbia Society incurs liabilities in excess of available assets, the Society is obligated to repay any resulting indebtedness.

At June 30, 2026, management estimates that there is no existing liability under this contingent obligation.

12. Commitments

The Society has entered into a lease for its office premises which expires on March 31, 2028. The future minimum lease payments are as follows:

	\$
2027	44,991
2028	33,744
	<u>78,735</u>

Special Olympics British Columbia Society

Notes to the financial statements

June 30, 2026

13. Financial instruments

Interest rate risk

The Society's investments are exposed to interest rate risk as the value of the financial instruments will fluctuate due to changes in interest rates and the volatility of these rates. The Society does not use derivative instruments to reduce its exposure to interest rate risk.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Society by failing to discharge its obligations. Credit risk is primarily associated with accounts receivables; however, it also arises on cash, investments and deposits.

The Society manages its credit risk by maintaining cash and investments with large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet a demand for cash or fund its obligations as they become due. The Society meets its liquidity requirements by preparing and monitoring forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market risk

The risk associated with the pooled funds are the risks associated with the bonds and equities in which the pooled funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The Society manages this risk through controls to monitor and limit concentration levels.

14. Allocation of expenses

A portion of salaries and wages relating to certain administrative personnel have been allocated to operations expense based on the proportion of time spent by those individuals on games and other events of the Society as follows:

	2026 \$	2025 \$
Personnel	123,032	125,210

15. Disclosure of Director and employee remuneration

For the fiscal year ended June 30, 2026, the Society did not remunerate the directors for attending meetings as these are volunteer positions. The Society paid total remuneration of \$997,097 (\$953,150 in 2025) to 10 employees (10 in 2025) who received total annual remuneration \$75,000 or greater.