Financial Statements of

SPECIAL OLYMPICS MANITOBA INCORPORATED

And Independent Auditor's Report thereon

Year ended June 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Special Olympics Manitoba Incorporated

Qualified Opinion

We have audited the financial statements of Special Olympics Manitoba Incorporated (the Entity), which comprise:

- the statement of financial position as at June 30, 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 June 30, 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 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 June 30, 2026 and June 30, 2025;

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- the fundraising revenues and excess of revenue over expenses reported in the statement of operations for the years ended June 30, 2026 and June 30, 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 June 30, 2026 and June 30, 2025; and
- the excess of revenue over expenses reported in the statements of cash flows for the years ended June 30, 2026 and June 30, 2025.

Our opinion on the financial statements for the year ended June 30, 2026 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.

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

Winnipeg, Canada

October 21, 2026

SPECIAL OLYMPICS MANITOBA INCORPORATED

Statement of Financial Position

June 30, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash (note 3)	$ 1,043,412	$ 790,958
Short-term investments (note 3)	–	285,000
Accounts receivable	241,999	303,940
Prepaid expenses	94,937	26,879
	1,380,348	1,406,777
Long-term investments (note 3)	1,552,449	1,375,973
Capital assets (note 4)	63,426	76,536
Deferred gifts (note 5[c])	401,409	401,409
	$ 3,397,632	$ 3,260,695
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 120,766	$ 284,824
Deferred contributions (note 5):		
Expenses related to future periods	147,635	136,805
Capital assets	27,908	37,211
Deferred gifts	401,409	401,409
	576,952	575,425
Net assets:		
Invested in capital assets	35,518	39,325
Unrestricted	2,664,396	2,361,121
	2,699,914	2,400,446
Commitments (note 8)		
	$ 3,397,632	$ 3,260,695

See accompanying notes to financial statements.

On behalf of the Board:

Chris Marinelli, Director

Steve Robertson, Director

SPECIAL OLYMPICS MANITOBA INCORPORATED

Statement of Operations

Year ended June 30, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Grants and donations (note 9)	$ 1,194,524	$ 1,152,691
Fundraising activities	1,127,493	925,849
Other income	192,967	182,468
	2,514,984	2,261,008
Expenses:		
General and administration	1,279,071	1,222,103
Activities:		
Sports and competitions	233,709	412,164
Fundraising	447,321	376,553
Program development	231,356	225,564
Amortization	24,059	23,457
	2,215,516	2,259,841
Excess of revenue over expenses	$ 299,468	$ 1,167

See accompanying notes to financial statements.

SPECIAL OLYMPICS MANITOBA INCORPORATED

Statement of Changes in Net Assets

Year ended June 30, 2026, with comparative information for 2025

	Unrestricted	Invested in capital assets	2026 Total	2025 Total
Net assets, beginning of year	$ 2,361,121	$ 39,325	$ 2,400,446	$ 2,399,279
Excess (deficiency) of revenue over expenses	314,224	(14,756)	299,468	1,167
Transfer for purchase of capital assets	(10,949)	10,949	–	–
Net assets, end of year	$ 2,664,396	$ 35,518	$ 2,699,914	$ 2,400,446

See accompanying notes to financial statements.

SPECIAL OLYMPICS MANITOBA INCORPORATED

Statement of Cash Flows

Year ended June 30, 2026, with comparative information for 2025

	2026	2025
Operating activities:		
Excess of revenue over expenses	$ 299,468	1,167
Items not involving cash:		
Unrealized gain on investments	(70,639)	(102,921)
Amortization of capital assets	24,059	23,457
Amortization of deferred contributions related to capital assets	(9,303)	(9,303)
Change in the following:		
Accounts receivable	61,941	(93,226)
Prepaid expenses	(68,058)	(11,125)
Accounts payable and accrued liabilities	(164,058)	169,626
Deferred contributions, expenses related to future periods, net	10,830	(45,277)
	84,240	(67,602)
Investing activities:		
Purchase of capital assets	(10,949)	(7,226)
Change in investments, net	179,163	37,059
	168,214	29,833
Increase (decrease) in cash	252,454	(37,769)
Cash, beginning of year	790,958	828,727
Cash, end of year	$ 1,043,412	$ 790,958

See accompanying notes to financial statements.

SPECIAL OLYMPICS MANITOBA INCORPORATED

Notes to Financial Statements

Year ended June 30, 2026

1. General:

Special Olympics Manitoba Incorporated (the organization) operates programs to ensure that Manitobans with an intellectual disability are provided opportunities to participate in sport training programs and competitive experiences. The organization is divided into seven regions and each region is administered by a Regional Council. The organization is incorporated under the *Corporations Act* of Manitoba as a not-for-profit organization and is a registered charity under the *Income Tax Act*.

These financial statements include the assets, liabilities, revenues, expenses and net assets of the organization including its Regional Councils.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition:

The organization follows the deferral method of accounting for contributions, which include government grants and donations.

Unrestricted contributions and program grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions and grants are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

(b) Capital assets:

Purchased capital assets are stated at cost and contributed capital assets are recorded at fair value at the time the asset was donated. Amortization is provided on the declining balance basis for the following assets using the following annual rates:

Asset	Rate
Office equipment	20%
Computer hardware and software	30%

SPECIAL OLYMPICS MANITOBA INCORPORATED

Notes to Financial Statements (continued)

Year ended June 30, 2026

2. Significant accounting policies (continued):

(b) Capital assets (continued):

Leasehold improvements are amortized on a straight-line basis over five years.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When circumstances indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-down of the asset is charged to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

(c) Deferred gifts:

Deferred gifts are comprised of planned giving contributions, being life insurance policies.

(d) Donated services:

No amount has been reflected in the financial statements for donated services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time towards the activities of the organization.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The organization has elected to carry investments at fair value.

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, which are amortized using the straight-line method.

SPECIAL OLYMPICS MANITOBA INCORPORATED

Notes to Financial Statements (continued)

Year ended June 30, 2026

2. Significant accounting policies (continued):

(e) Financial instruments (continued):

Unrealized gains and losses on investments, representing the change in difference between the fair value and the cost of investments at the beginning and end of each year is reflected in investment income in the statement of operations. Fair value of investments is determined based on period end quoted market prices.

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 organization 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 organization 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 carrying value.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

SPECIAL OLYMPICS MANITOBA INCORPORATED

Notes to Financial Statements (continued)

Year ended June 30, 2026

3. Cash and investments:

	2026	2025
Cash:		
Cash in bank	$ 1,043,412	$ 787,510
Regional Councils cash in bank	–	3,448
	1,043,412	790,958
Short-term investments:		
RBC prime linked cashable government investment certificate (GIC), variable interest, due May 26, 2026	–	285,000
	–	285,000
Long-term investments:		
Government and corporate fixed income	752,470	721,350
Mutual funds	350,903	309,906
Canadian equities	202,006	151,760
United States equities	148,991	106,969
International equities	98,079	85,988
	1,552,449	1,375,973
Total cash and investments	$ 2,595,861	$ 2,451,931

Investments are carried at fair value. During the year ended June 30, 2026 there was an unrealized gain of $70,639 (2025 - $102,921) recognized in investment income on the investments held by the organization.

The government and corporate fixed income investments mature between fiscal 2028 and fiscal 2032 and bear a weighted average effective yield of 1.23 percent (2025 - 0.74 percent).

SPECIAL OLYMPICS MANITOBA INCORPORATED

Notes to Financial Statements (continued)

Year ended June 30, 2026

4. Capital assets:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Office equipment	$ 122,697	$ 119,652	$ 3,045	$ 3,807
Computer hardware and software	126,435	112,500	13,935	6,611
Leasehold improvements	98,358	51,912	46,446	66,118
	$ 347,490	$ 284,064	$ 63,426	$ 76,536

5. Deferred contributions:

(a) Expenses related to future periods is comprised of the following:

	2026	2025
Sport Manitoba – program (note 9)	$ 22,755	$ 22,755
Funds received for the next fiscal year's activities	124,880	114,050
	$ 147,635	$ 136,805

The change in expenses related to future periods is as follows:

	2026	2025
Balance, beginning of year	$ 136,805	$ 182,082
Add amount received related to future periods	130,766	119,937
Less amounts recognized as revenue in the year	(119,936)	(165,214)
Balance, end of year	$ 147,635	$ 136,805

SPECIAL OLYMPICS MANITOBA INCORPORATED

Notes to Financial Statements (continued)

Year ended June 30, 2026

5. Deferred contributions (continued):

(b) Capital assets:

Deferred capital contributions related to capital assets represent the unamortized amount of grants and other contributions received for the purchase of capital assets.

	2026	2025
Balance, beginning of year	$ 37,211	$ 46,514
Less amounts amortized to revenue	(9,303)	(9,303)
Balance, end of year	$ 27,908	$ 37,211

(c) Deferred gifts:

Deferred gifts represent life insurance policies to which the organization has been named as the irrevocable beneficiary. The death benefit amounts are recorded as an asset and a deferred contribution on the statement of financial position until they are realized at the time of death.

6. The Winnipeg Foundation endowment fund:

The organization has an agreement with The Winnipeg Foundation (the “Foundation”) for the maintenance of an endowment fund. The Foundation will preserve the capital and will distribute all income generated thereon to the organization in perpetuity. The capital is not available to the organization except in specific circumstances, as approved by the Foundation, where the organization can receive an advance of up to 25 percent of the capital. Any advances of capital will be recovered through reinvestment of investment income earned on the endowment fund or new gifts directed for this purpose.

Investment income earned may be reinvested with the Foundation with a matching amount provided by the Foundation at a rate of $1 to every $5 reinvested. In fiscal 2026, the organization reinvested investment income earned of $13,733 (2025 - $2,250) in the endowment fund. The fair value of the endowment fund at June 30, 2026 was $159,278 (2025 - $145,545).

SPECIAL OLYMPICS MANITOBA INCORPORATED

Notes to Financial Statements (continued)

Year ended June 30, 2026

7. Financial risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The organization is exposed to credit risk with respect to the accounts receivable. The organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(b) Liquidity risk:

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade accounts payable and accrued liabilities are generally repaid within 30 days.

(c) Investment risk:

The organization's investments are sensitive to market fluctuations. To properly manage the organization's other price risk, appropriate guidelines on asset diversification to address specific security risks are set and monitored.

The organization is exposed to financial risks as a result of exchange rate fluctuations on certain of its investments and the volatility of these rates. In the normal course of business, the organization holds investments denominated in foreign currencies. The organization does not currently enter into forward contracts to mitigate this risk.

The organization's fixed income investments are exposed to the risk that the value of interest-bearing investments will fluctuate due to changes in the level of market interest rates.

There has been no change to the risk exposures from 2025.

8. Commitments:

The organization is committed under an operating lease for office space which expires on March 31, 2027. The remaining minimum lease payments under the agreement aggregate $26,892.

SPECIAL OLYMPICS MANITOBA INCORPORATED

Notes to Financial Statements (continued)

Year ended June 30, 2026

9. Grant from Sport Manitoba:

During the year ended June 30, 2026, the organization received grant funding of $162,700 (2025 - $171,072) from Sport Manitoba. Of the funding received, $22,755 (2025 - $22,755) was deferred and is included in deferred contributions (note 5(a)). Grant revenue recognized during the year aggregated $162,700 (2025 - $171,072), comprising $139,945 (2025 - $148,317) from current year funding and $22,755 (2025 - $22,755) recognized from amounts deferred at June 30, 2025.