

Special Olympics Canada
Financial Statements
For the year ended June 30, 2025

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Independent Auditor's Report

To the Board of Directors of Special Olympics Canada

Opinion

We have audited the financial statements of Special Olympics Canada (the "Organization"), which comprise the statement of financial position as at June 30, 2025, the statement of operations and changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2025, 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 Opinion

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 report. We are independent of the Organization 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 opinion.

Other Matter

The financial statements for the year ended June 30, 2024 were audited by another auditor who expressed an unqualified opinion on those financial statements on September 9, 2024.

Responsibilities of Management and Those Charged with Governance 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, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization'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 Organization'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 Organization 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
September 11, 2025

Special Olympics Canada
Statement of Financial Position

June 30 **2025** **2024**

Assets

Current

Cash	\$ 6,168,653	\$ 4,637,730
Accounts receivable (Notes 3 and 4)	2,369,269	3,799,635
Prepaid expenses	163,865	140,505

	8,701,787	8,577,870
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Capital assets (Note 5)	103,910	117,942
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	\$ 8,805,697	\$ 8,695,812
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 4)	\$ 2,407,065	\$ 2,559,437
Deferred contributions (Note 6)	877,801	538,551

	3,284,866	3,097,988
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Net Assets

Unrestricted	5,520,831	5,597,824
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	\$ 8,805,697	\$ 8,695,812
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On behalf of the Board:

_____ Director

_____ Director

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

Special Olympics Canada

Statement of Operations and Changes in Net Assets

For the year ended June 30	2025	2024
Revenue		
Fundraising events	\$ 6,936,193	\$ 7,462,719
Grants (Note 7)	6,389,471	6,511,985
Foundations (Note 3)	1,733,202	1,520,623
In-kind donations (Note 9)	1,708,023	2,005,198
Sponsorships	458,758	556,514
Other (Note 3)	214,838	206,700
	<u>17,440,485</u>	<u>18,263,739</u>
Expenses (Schedule)		
Program and chapter support	7,723,575	7,745,539
Above-Reference program costs	3,040,637	3,601,614
Public education	2,813,886	2,401,585
Fundraising	2,616,773	2,197,929
Administration	1,322,607	1,080,002
	<u>17,517,478</u>	<u>17,026,669</u>
Excess (deficiency) of revenue over expenses	(76,993)	1,237,070
Net assets, beginning of year	<u>5,597,824</u>	<u>4,360,754</u>
Net assets, end of year	<u>\$ 5,520,831</u>	<u>\$ 5,597,824</u>

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

Special Olympics Canada Statement of Cash Flows

For the year ended June 30	2025	2024
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (76,993)	\$ 1,237,070
Adjustments required to reconcile excess (deficiency) of revenue over expenses with net cash provided by operating activities		
Amortization of capital assets	36,316	42,119
Changes in non-cash working capital balances		
Accounts receivable	1,430,366	(699,460)
Prepaid expenses	(23,360)	4,732
Accounts payable and accrued liabilities	(152,372)	1,168,135
Deferred contributions	339,250	175,471
	1,553,207	1,928,067
Investing activity		
Purchase of capital assets	(22,284)	-
Increase in cash during the year	1,530,923	1,928,067
Cash, beginning of year	4,637,730	2,709,663
Cash, end of year	\$ 6,168,653	\$ 4,637,730

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

Special Olympics Canada

Notes to Financial Statements

June 30, 2025

1. Nature of Operations

Special Olympics Canada (the "Organization" or "SOC") is a national organization dedicated to enriching the lives of Canadians with an intellectual disability through active participation in sports. The Organization is incorporated under the Corporations Act (Ontario) as a not-for-profit organization and is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook. The most significant accounting policies are as follows:

(a) Revenue recognition:

The Organization follows the deferral method of accounting for fundraising, contributions, sponsorships, and grant revenue. 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.

All other revenue is recognized when delivery has occurred or services have been rendered and measurement and collection are reasonably assured.

(b) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded only if the fair value can be reasonably estimated on the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated useful life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value. The Organization amortizes the cost of the capital assets on a straight-line basis over the estimated useful lives as follows:

Furniture and equipment	5 years
Computer equipment	3 years
Software	3 years
Leasehold improvements	over the lease term

(c) Financial instruments:

Arm's length financial instruments are recorded at fair value at initial recognition. Related party financial instruments are recorded at cost at initial recognition. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Special Olympics Canada

Notes to Financial Statements

June 30, 2025

2. Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in the statement of operations and net assets. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in the statement of operations and net assets.

(d) Allocation and attribution of expenses:

Salaries and benefits are allocated between program and chapter support, Above-Reference program costs, public education, fundraising, and administration. The allocation is based on a percentage-of-effort analysis performed by management to estimate the amount of time spent on each activity. Additionally, shared expenses, including expenses relating to contributed materials and services, are allocated to the same categories based on reasonable estimates of usage for each area of activity. Shared costs include rent, phones, Internet and office expenses.

(e) Contributed materials and services:

Contributed materials and services are recorded only if the fair value can be reasonably estimated at the date of contribution and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. Contributed materials and services in the amount of \$1,708,023 (2024 - \$2,005,198) have been recorded as revenue and expenses.

(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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Special Olympics Canada

Notes to Financial Statements

June 30, 2025

3. Special Olympics Canada Foundation

The Special Olympics Canada Foundation (the "Foundation") was founded in 1997 and was created to financially support the strategic objectives of the Organization. The Organization has an economic interest in the Foundation.

At the year end, the amount receivable from the Foundation is \$4,445 (2024 - \$7,091). The amount receivable from the Foundation is non-interest bearing, is unsecured and has no fixed terms of repayment. Included in Foundations revenue is \$451,292 (2024 - \$401,330) received from the Foundation during the year. Included in Other revenue, the Organization charged the Foundation \$18,000 (2024 - \$18,000) for office and rent expenses. 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 between the Organization and the Foundation.

4. Transactions with Other Special Olympics Organizations

(a) Special Olympics Inc. ("SOI")

SOI accredits the Organization to ensure the worldwide quality, and ultimately the growth, of the Organization's movement. Accreditation is a method of assuring the Organization meets the essential core requirements of the Special Olympics mission and also certain minimum management and financial requirements. Upon compliance with the Accreditation Standards, SOI signs an Accreditation License with the Organization, which grants the Organization the legal right to use the Special Olympics name, logo and other trademarks, to conduct the Special Olympics sports and related activities, and to raise funds under the Special Olympics name. The Organization is then eligible to (i) receive sports, technical and program development training and support from SOI, in the form of grants from SOI, (ii) participate in World and Regional Games, and (iii) participate in and benefit from other Special Olympics movement activities (such as Healthy Athletes®, Project UNIFY®, United Sports® and global public awareness events). The Organization rolls forward an annual accreditation fee base on total adjusted gross revenue from the Organization and all 12 provincial/territorial chapters.

The annual accreditation fee remitted by the Organization to SOI includes amounts collected and remitted on behalf of provincial and territorial chapters. In 2025, \$370,039 (2024 - \$Nil) was paid to SOI for the Organization and all provincial/territorial chapters. Due to delays in the accreditation process, the 2025 payment included accreditation fees for 2024. Additionally, SOI and the Organization enter into funding agreements from time to time to fund program activities by one or the other organization.

During the year the Organization provided \$450,000 (2024 - \$450,000) of funding to SOI for youth programming and refunded \$27,524 (2024 - \$Nil) of miscellaneous grants to SOI. During the year, the Organization made transfer payments to provincial/territorial chapters on behalf of SOI of \$340,839 (2024 - \$429,735). 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 between the Organization and SOI.

Special Olympics Canada Notes to Financial Statements

June 30, 2025

4. Transactions with Other Special Olympics Organizations (Continued)

(b) Due from provincial/territorial chapters:

The Organization provides annual accreditation to 12 provincial/territorial Special Olympics Chapters (the "Chapters") to ensure the national quality, and ultimately the growth of Special Olympics in Canada. Accreditation is a method of assuring the Chapters meet the essential core requirements of the Organization's mission as well as certain minimum management and financial requirements. Subject to compliance with the terms of the accreditation and upon payment of annual accreditation fees, the Organization grants the Chapters the legal right to use the Special Olympics name, logo and other trademarks, to conduct Special Olympics sports and related activities, and to raise funds under the Special Olympics name. The Chapters are then eligible to (i) to receive sports, technical and program development training and support from the Organization, including in the form of grants from the Organization, (ii) participate in National Games, and (iii) participate in and benefit from other Special Olympics movement activities (such as Healthy Athletes®, and national public awareness events).

At year end, the amount receivable from provincial/territorial chapters is \$233,539 (2024 - \$290,615) and the amount payable to the Chapters was \$1,638,220 (2024 - \$1,691,886). Amounts due from provincial/territorial chapters are non-interest bearing, are unsecured and have no fixed terms of repayment. The statement of operations and changes in net assets includes \$5,750,829 (2024 - \$6,683,810) paid in Chapter support. 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 between the Organization and the Chapters.

5. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 203,339	\$ 184,946	\$ 185,728	\$ 182,815
Computer equipment	163,686	159,576	159,013	157,836
Software	353,388	349,646	353,388	338,421
Leasehold improvements	409,530	331,865	409,530	310,645
	1,129,943	1,026,033	1,107,659	989,717
Net book value		\$ 103,910		\$ 117,942

Special Olympics Canada Notes to Financial Statements

June 30, 2025

6. Deferred Contributions

Deferred contributions relate to expenses of future years and represent unspent externally restricted grants and donations for specific programs. Changes in the deferred contributions balance during the year are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 538,551	\$ 363,080
Amounts received	9,035,760	7,836,084
Amounts recognized as revenue	<u>(8,696,510)</u>	<u>(7,660,613)</u>
Balance, end of year	<u>\$ 877,801</u>	<u>\$ 538,551</u>

7. Grants

(a) Minister of Sport ("Sport Canada"):

In fiscal 2025, the following signed contribution agreements between the Organization and Sport Canada were in effect:

- (i) MSO 2024-25 SOC Above-Reference Program for the period from April 1, 2024 to March 31, 2025 in the total amount of \$3,800,000;
- (ii) MSO 2024-25 SOC Reference Level Program for the period April 1, 2024 to March 31, 2025 in the amount of \$2,875,760;
- (iii) MSO 2025-26 SOC Reference Level Program for the period April 1, 2025 to June 30, 2025 in the amount of \$1,669,000; and
- (iv) GE EDI Program - Indigenous Engagement Strategy for the period April 1, 2023 to March 31, 2025 in the amount of \$196,125.

Special Olympics Canada

Notes to Financial Statements

June 30, 2025

7. Grants (Continued)

(a) Minister of Sport ("Sport Canada"): (continued)

In addition to the above signed contribution agreements, the Organization has written confirmation of an additional program for which a signed contribution agreement is pending:

- (v) MSO 2025-29 Reference Level Program for the period July 1, 2025 to March 31, 2029 in the amount of \$23,791,000. This program will be merged with MSO 2025-26 Reference Level Program for the period April 1, 2025 to June 30, 2025. The resulting total funding will be \$25,460,000 for the full period April 1, 2025 to March 31, 2029 or \$6,365,000 per annum.

As at June 30, 2025, included in accounts receivable is \$9,000 (2024 - \$1,329,309) from Sport Canada comprised of: GE EDI Program - Indigenous Engagement Strategy \$9,000. (2024 - MOS 24-25 SOC Above-Reference Program \$1,044,687; MSO 2024-25 SOC Reference Level Program \$284,622).

During the fiscal year, the Organization recognized \$6,386,471 (2024 - 6,508,985) as revenue comprised of: MSO 24-25 SOC Above-Reference Program \$2,755,313; MSO 24-25 SOC Reference Level Program \$2,577,931; GE EDI Program - Indigenous Engagement Strategy 23-25 \$ 180,000; and MSO Reference Level 25-29 SOC Reference Level Program \$873,227 (2024 - MSO 22-24 SOC Above-Reference Program \$3,188,785; MSO 24-25 SOC Above-Reference Program \$1,044,687; MSO 2023-24 SOC Reference Level Program \$1,977,683; and MSO 2024-25 SOC Reference Level Program \$297,830).

(b) Other:

The remaining grants of \$3,000 (2024 - \$3,000) were for other projects and received from other sources.

Special Olympics Canada

Notes to Financial Statements

June 30, 2025

8. Allocated Expenses

Salaries and benefits for the year totalled \$3,841,779 (2024 - \$3,397,993) and have been allocated as follows:

	<u>2025</u>	<u>2024</u>
Program and chapter support	\$ 869,744	\$ 718,245
Above-Reference program costs	733,186	739,605
Public education	850,969	741,002
Fundraising	697,000	576,259
Administration	690,880	622,882
	<u>\$ 3,841,779</u>	<u>\$ 3,397,993</u>

Shared expenses for the year totalled \$877,410 (2024 - \$880,061) and have been allocated as follows:

	<u>2025</u>	<u>2024</u>
Program and chapter support	\$ 124,440	\$ 233,589
Public education	90,963	85,862
Fundraising	107,924	192,619
Administration	554,083	367,991
	<u>\$ 877,410</u>	<u>\$ 880,061</u>

9. In-kind Donations

During the year, the Organization received in-kind donations from various entities for funding core program activities, promoting events and the operation of the Organization. The full amount of the donation has been recognized in in-kind donations revenue and the following expense categories:

	<u>2025</u>	<u>2024</u>
Program and chapter support	\$ 492,941	\$ 1,033,499
Public education	925,308	920,473
Fundraising	134,654	-
Administration	155,120	51,226
	<u>\$ 1,708,023</u>	<u>\$ 2,005,198</u>

Special Olympics Canada

Notes to Financial Statements

June 30, 2025

10. Financial Instrument Risks

Credit risk

Credit risk refers to the risk that the counterparty may default on its contractual obligations, resulting in a financial loss. The Organization is exposed to credit risk with respect to cash and accounts receivable. Cash consists of deposits with a major Canadian chartered bank.

The Organization assesses, on a continuous basis, the accounts receivable and provides for any amount that is not collectible in the allowance for doubtful accounts. This risk has not changed since the prior year.

Liquidity risk

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization is exposed to liquidity risk with respect to accounts payable and accrued liabilities, and commitments. The Organization manages its liquidity risk by monitoring its operating requirements. This risk has not changed since the prior year.

11. Commitments

The Organization is committed under operating leases for rental of equipment and office premises, which include an estimated proportionate share of property taxes and operating expenses. The minimum annual payments are as follows:

2026	\$ 330,489
2027	340,774
2028	340,324
2029	<u>283,529</u>
	<u>\$ 1,295,116</u>

12. Comparative Figures

Certain comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

Special Olympics Canada Schedule of Expenses

For the year ended June 30

2025

2024

	Program and chapter support	Above- Reference program costs	Public education	Fundraising	Administration	Total	Total
Chapter support (Note 4)	\$ 3,894,062	\$ 1,783,390	\$ 147,369	\$ -	\$ -	\$ 5,824,821	\$ 6,683,810
Salaries and benefits	869,744	733,186	850,969	697,000	690,880	3,841,779	3,397,993
Program support	2,571,125	201,928	-	-	-	2,773,053	1,654,560
Fundraising	-	-	581,353	1,520,564	-	2,101,917	1,813,877
Marketing campaign	55,418	232,987	1,038,001	186,054	-	1,512,460	1,140,944
Rent	112,916	-	87,419	91,062	72,849	364,246	342,720
Office	11,524	-	3,544	16,862	323,499	355,429	283,350
Sponsorship	-	-	105,231	105,231	-	210,462	169,062
Professional fees	-	-	-	-	121,419	121,419	210,140
Meetings and training	57,498	20,000	-	-	40,138	117,636	168,075
Television broadcast	103,921	-	-	-	-	103,921	56,100
National games	25,000	59,732	-	-	-	84,732	956,875
Accreditation fees	-	-	-	-	37,506	37,506	55,004
Amortization	-	-	-	-	36,316	36,316	42,119
Official language	22,367	9,414	-	-	-	31,781	50,308
Travel and accommodation	-	-	-	-	-	-	1,732
	\$ 7,723,575	\$ 3,040,637	\$ 2,813,886	\$ 2,616,773	\$ 1,322,607	\$ 17,517,478	\$ 17,026,669