

William H. McGannon Foundation
Financial Statements
June 30, 2026

Management's Responsibility

To the Board of Directors of William H. McGannon Foundation:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing financial reporting. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.



Javier Pardo
Director

To the Directors of William H. McGannon Foundation:

Opinion

We have audited the financial statements of William H. McGannon Foundation (the "Foundation"), which comprise the statement of financial position as at June 30, 2026, and the statements of operations and changes in net assets and 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 Foundation 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 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 Foundation 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.

Responsibilities of 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

Calgary, Alberta

October 9, 2026

MNP LLP

Chartered Professional Accountants

William H. McGannon Foundation
Statement of Financial Position

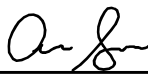
As at June 30, 2026

	2026	2025
Assets		
Current		
Cash and cash equivalents	50,270	224,436
Short-term investments (Note 3)	-	30,000
Prepaid expenses	1,930	1,930
	52,200	256,366
Investments (Note 4)	1,612,642	1,307,215
	1,664,842	1,563,581
Liabilities		
Current		
Accounts payable and accruals	24,123	16,500
Net Assets		
Unrestricted	1,640,719	1,547,081
	1,664,842	1,563,581

Approved on behalf of the Board



Director



Director

William H. McGannon Foundation

Statement of Operations and Changes in Net Assets

For the year ended June 30, 2026

	2026	2025
Revenue		
Gain on sale of investments	101,179	56,013
Contributions	52,000	62,523
Interest and dividend income	51,612	45,923
Change in unrealized gain on investments	17,414	60,357
Foreign exchange gain	84	25
	222,289	224,841
Expenses		
Professional fees	40,084	40,687
Scholarships	32,000	28,000
Student involvement program	24,736	45,927
Investment management fees	18,596	16,941
Insurance	10,584	7,624
Office	1,988	2,193
Bank charges and interest	389	133
Income tax on investment income	274	203
	128,651	141,708
Excess of revenue over expenses	93,638	83,133
Net assets, beginning of year	1,547,081	1,463,948
Net assets, end of year	1,640,719	1,547,081

The accompanying notes are an integral part of these financial statements

William H. McGannon Foundation
Statement of Cash Flows
For the year ended June 30, 2026

	2026	2025
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	93,638	83,133
Gain on sale of investments	(101,179)	(56,013)
Change in unrealized gain on investments	(17,414)	(60,357)
Foreign exchange gain	(84)	(25)
	(25,039)	(33,262)
Changes in working capital accounts		
Accounts payable and accruals	7,623	499
	(17,416)	(32,763)
Investing		
Purchase of investments	(951,200)	(287,506)
Proceeds on disposal of investments	764,450	275,342
Purchase of short-term investments	-	(30,000)
Redemption of short-term investment	30,000	-
	(156,750)	(42,164)
Decrease in cash resources	(174,166)	(74,927)
Cash resources, beginning of year	224,436	299,363
Cash resources, end of year	50,270	224,436

The accompanying notes are an integral part of these financial statements

William H. McGannon Foundation
Notes to the Financial Statements
For the year ended June 30, 2026

1. Incorporation and nature of the organization

William H. McGannon Foundation (the "Foundation") was incorporated under the Canada Corporations Act - Part II on July 12, 2002. The Foundation is a registered charity under the *Income Tax Act* ("the Act") it is exempt from income taxes under section 149(1) of the Act. To maintain its status as a tax-exempt entity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Foundation's purpose is to raise financial resources to create and build an endowment fund for the advancement of risk management by delivering awards grants to students and institutions.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for non-for-profit organizations ("ASNPO"). The significant accounting policies of the Foundation are as follows:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Investments

Investments are recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. Market values are obtained from the fund manager and relevant stock exchange listings.

Revenue recognition

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

Interest and other investment income are recognized as revenue when earned.

Foreign currency translation

Investments denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect on the date of the statement of financial position. Investment income from these securities is translated at the exchange rate in effect when realized.

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has made such an election during the year.

Investments in equity instruments quoted in an active market are subsequently measured at their fair value. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

Contributed services

Volunteers contribute a number of hours each year to assist the Foundation in carrying out its services and activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3. Short-term investments

Short term investments included a Gauranteed Investment Certificate held at an interest rate of 4.30% that matured September 2025.

4. Investment

Investments consist of company shares and fixed income securities, the following table summarizes transactions related to the investments:

	2026	2025
Market value, beginning of year	1,307,215	1,178,656
Gain on sale of investments	101,179	56,013
Purchase (proceeds) of investments, net	155,460	12,164
Change in unrealized gain on investments	17,414	60,357
Foreign exchange gain	84	25
Market value, end of year	1,581,352	1,307,215

5. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Equity risk

A significant portion of the Foundation's financial assets is investments, which represents the Foundation's exposure to equity risk. The Foundation invests most of its assets in equity securities, such as common shares, or in fixed income securities. The value of these securities changes as the business, financial condition, management, and other relevant factors affecting the company that issues the securities change, as well as changes in the general economic condition of the markets, in which they operate, thereby exposing the Foundation to these fluctuations in value. The fair market value of investments at June 30, 2026, was \$1,581,352 (2025 - \$1,307,215) with 38% (2025 - 52%) invested in equities and 62% (2025 - 48%) invested in fixed income securities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Because a portion of the Foundation's investment portfolio is denominated in foreign currencies, the Foundation is exposed to fluctuations in those currencies.

At year-end, 10% (2025 – 14%) of the investments are denominated in foreign currencies. These items are stated in Canadian dollars using the foreign-exchange rate in effect at year-end.

Interest rate risk

The Foundation is exposed to interest rate risk to the extent that changes in the available interest rates could cause changes in revenue.