

**Victoria Symphony Society**  
**Financial Statements**  
**Year Ended May 31, 2025**

## **Independent Auditor's Report**

**To the Members of Victoria Symphony Society**

### **Report on the Financial Statements**

#### **Opinion**

We have audited the financial statements of Victoria Symphony Society (the "Society"), which comprise the statement of financial position as at May 31, 2025, and the statements of changes in net assets, operations 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 Society as at May 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### **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 Society in accordance with 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 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 ASNPO, 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 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.

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Independent Auditor's Report to the Members of Victoria Symphony Society (*continued*)

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 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 of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

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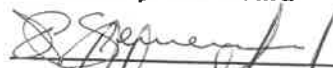

Victoria, British Columbia  
September 11, 2025

Chartered Professional Accountants

**Victoria Symphony Society**  
**Statement of Financial Position**  
**May 31, 2025**

	2025 \$	2024 \$
<b>Assets</b>		
Current		
Cash and cash equivalents (Note 3)	2,167,497	832,251
Marketable securities	3	71,499
Accounts receivable	73,766	23,854
Government remittances receivable	-	9,950
Prepaid expenses	33,413	12,845
	2,274,679	950,399
Capital assets (Note 5)	300,156	310,035
<b>Total assets</b>	<b>2,574,835</b>	<b>1,260,434</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	278,043	253,058
Government remittances payable	5,425	-
Deferred revenue (Note 7)	1,485,125	719,139
	1,768,593	972,197
Deferred capital contributions	3,000	3,750
<b>Total liabilities</b>	<b>1,771,593</b>	<b>975,947</b>
Net assets	803,242	284,487
<b>Total liabilities and net assets</b>	<b>2,574,835</b>	<b>1,260,434</b>
Lease obligations (Note 8)		

**On behalf of the Board**

 Director  
 Director

The accompanying notes are an integral part of these financial statements

**Victoria Symphony Society**  
**Statement of Changes in Net Assets**  
**Year Ended May 31, 2025**

	Invested in capital assets \$	Unrestricted \$	2025 \$	2024 \$
Net assets - beginning of year	331,286	(46,799)	284,487	341,052
Excess of revenues over expenses	-	518,755	518,755	(56,565)
Amortization of capital assets	(23,560)	23,560	-	-
Amortization of deferred capital contributions	750	(750)	-	-
Capital asset purchases	13,680	(13,680)	-	-
Net assets - end of year	322,156	481,086	803,242	284,487

The accompanying notes are an integral part of these financial statements

**Victoria Symphony Society**  
**Statement of Operations**  
**Year Ended May 31, 2025**

	2025 \$	2024 \$
Revenues		
Earned		
Donations and fundraising ( <i>Notes 4, 9, 10</i> )	2,745,933	1,957,986
Government grants ( <i>Note 12</i> )	2,880,220	2,854,826
	<u>1,367,772</u>	<u>1,267,750</u>
	6,993,925	6,080,562
Expenses		
Administration	771,564	742,147
Artistic	3,837,126	3,427,084
Box office	168,028	138,738
Contribution to the Foundation for the Victoria Symphony ( <i>Note 4</i> )	9,213	141,099
Development and fundraising	517,785	504,805
Marketing	456,265	437,991
Production	<u>715,189</u>	<u>745,263</u>
	6,475,170	6,137,127
<b>Excess (deficiency) of revenues over expenses</b>	<u>518,755</u>	<u>(56,565)</u>

The accompanying notes are an integral part of these financial statements

**Victoria Symphony Society**  
**Statement of Cash Flows**  
**Year Ended May 31, 2025**

	2025 \$	2024 \$
Operating activities		
Excess (deficiency) of revenues over expenses	518,755	(56,565)
Items not affecting cash:		
Amortization of capital assets	23,560	21,810
Amortization of deferred capital contributions	(750)	(5,750)
	<u>541,565</u>	<u>(40,505)</u>
Changes in non-cash working capital:		
Accounts receivable	(49,912)	77,119
Government remittances receivable	9,950	4,098
Government remittances payable	5,425	-
Due to (from) Foundation for the Victoria Symphony	-	(6,755)
Accounts payable and accrued liabilities	24,984	81,184
Deferred revenue	765,986	155,615
Prepaid expenses	(20,568)	(366)
	<u>735,865</u>	<u>310,895</u>
Cash flow from operating activities	<u>1,277,430</u>	<u>270,390</u>
Investing activities		
Purchase of capital assets	(13,680)	(78,401)
Donation of shares	-	(71,499)
Sale of shares	71,496	-
	<u>57,816</u>	<u>(149,900)</u>
Cash flow from (used by) investing activities	<u>57,816</u>	<u>(149,900)</u>
<b>Increase in cash flow</b>	<b>1,335,246</b>	<b>120,490</b>
Cash and cash equivalents - beginning of year	<u>832,251</u>	<u>711,761</u>
<b>Cash and cash equivalents - end of year</b>	<b><u>2,167,497</u></b>	<b><u>832,251</u></b>

The accompanying notes are an integral part of these financial statements

**Victoria Symphony Society**  
**Notes to Financial Statements**  
**Year Ended May 31, 2025**

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**1. Nature of operations**

Victoria Symphony Society (the "Society") provides orchestral music productions through the operation of the Victoria Symphony Orchestra. The Society was incorporated under the Society Act (British Columbia) as a not-for profit organization, is a registered charity under the Income Tax Act and, as such, is not subject to income tax.

**2. Summary of significant accounting policies**

**Basis of presentation**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

**Revenue recognition**

The Society follows the deferral method of accounting for contributions, which include grants and donations. Restricted contributions are recognized as revenue in the year in which the related expenditures 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.

Season ticket receipts are recorded as revenue in the year to which they apply. Donated assets are recorded at their estimated fair market value at the date of receipt.

Contributions restricted for the purchase of capital assets are deferred and amortized on a straight-line basis at the same amortization rate as the related capital assets.

**Cash and cash equivalents**

Cash includes cash on hand and short-term deposits, which are highly liquid with original maturities of less than twelve months from the date of acquisition.

**Capital assets**

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Furniture and fixtures	20%
Leasehold Improvements	term of the lease
Music Instruments and equipment	5%
Music Library	2.5%
Office equipment	20%
Vehicle	10%
Website	33%

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

**Deferred revenue**

Deferred revenue reflects amounts received in the current period that relate to activities that will be performed in the subsequent periods.

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**2. Summary of significant accounting policies (continued)**

**Donated services and materials**

The Society annually receives a significant amount of volunteer services and contributed professional and marketing services. To the extent that the fair value can be determined, donated services are recognized in the financial statements when such services are used in the normal course of business and would otherwise have been purchased.

The value of volunteer time is not recorded due to the difficulty in valuing such services.

**Financial instruments**

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If the 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.

**Use of estimates**

The preparation of the 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 year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets. Actual results could differ from those estimates.

**3. Restricted cash**

The Society receives a restricted grant from the Gaming and Enforcement Branch of the Provincial Government for the purpose of assistance with Society programs or as designated by the contributor. These funds earn interest and are maintained in a separate bank account. As at May 31, 2025, restricted grant cash held by the Society was \$54,618 (2024 - \$44,840).

**Victoria Symphony Society**  
**Notes to Financial Statements**  
**Year Ended May 31, 2025**

**4. Due to (from) Foundation for the Victoria Symphony**

The Society has an economic interest in the Foundation for the Victoria Symphony (the "Foundation"). The objectives of the Foundation are to promote and support the Society; to assist organizations and institutions involved with young artists interested in a musical career and the furtherance of their artistic progress; to solicit and accept gifts, contributions and bequests of all kinds to enable it to carry out its objectives; and to administer such funds by holding, investing and reinvesting them, ensuring to the donors' directions.

The Foundation is incorporated under the Society Act (British Columbia) as a not-for-profit organization, is a registered charity under the Income Tax Act and, as such, is tax-exempt.

During the year ended May 31, 2025, the Society received contributions from the Foundation totaling \$900,000 (2024 - \$1,000,000). The Society contributed \$9,213 to the Foundation (2024 - \$141,099). As at May 31, 2025 \$nil remains payable to the Foundation.

The Foundation for the Victoria Symphony also applies for and receives funds from the Canadian Investment Fund Program, Endowment Incentives component, on behalf of the Society. The Foundation was awarded \$320,347 in March 2025, which will be added to its endowment fund. The Foundation had \$13,394,535 in its endowment fund at May 31, 2025.

**5. Capital assets**

	2025		2024	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Music Library	316,194	145,907	309,844	141,622
Music Instruments and equipment	146,848	116,288	146,848	114,679
Office equipment	338,157	295,132	331,219	285,243
Vehicles	57,223	8,583	84,644	30,282
Furniture and fixtures	45,654	41,230	45,262	40,173
Website	9,976	8,297	9,976	7,471
Leasehold improvements	24,362	22,821	24,362	22,650
	938,414	638,258	952,155	642,120
Net book value	300,156		310,035	

During the year, \$23,560 (2024 - \$21,810) of amortization expense was recognized on capital assets.

**6. Credit facility**

The Society has an approved credit facility with Island Savings Credit Union of \$50,000 with interest charged at the prime lending rate plus 2%. The balance outstanding at May 31, 2025 is \$nil (2024 - \$nil).

**Victoria Symphony Society**  
**Notes to Financial Statements**  
**Year Ended May 31, 2025**

**7. Deferred revenue**

	2025 \$	2024 \$
Opening Balance	719,139	563,524
Amounts recognized as revenue in the year:		
Ticket sales	(629,858)	(432,360)
Grants and donations	(61,491)	(119,339)
	27,790	11,825
Amounts deferred to future years:		
Ticket sales	892,660	629,857
Grants and donations	564,675	77,457
Closing balance	1,485,125	719,139

Deferred ticket sales include \$7,366 of ticket returns, which will be deferred until they are used, refunded or recognized as a donation based on the direction of the ticket holder.

**8. Lease obligations**

The Society has entered into an operating lease for rental of commercial offices. The total obligation under this lease is as follows (all balances are plus triple net):

	\$
2026	109,676
2027	74,565
	184,241

The Society renewed the lease for the commercial office on February 1st of 2024 until January 31st of 2027.

**9. Revenue**

Included in donations and fundraising revenues are \$1,200 (2024 - \$1,200) of contributed services consisting of event support that would have otherwise been purchased by the Society in normal course of business.

**10. Victoria Foundation**

During the year, the Society recognized in donations and fundraising revenue \$453,526 (2024 - \$461,392), which includes pass-through grants as well as distributions from various endowment funds held at the Victoria Foundation.

The Victoria Foundation applies for and receives funds from the Canadian Investment Fund Program, Endowment Incentives component, on behalf of the Society. The Victoria Foundation was awarded \$38,669 in March 2025, which will be added to its endowment funds. The Victoria Foundation had \$320,529,104 in its endowment fund at December 31, 2024.

**Victoria Symphony Society**  
**Notes to Financial Statements**  
**Year Ended May 31, 2025**

**11. Remuneration paid to employees, directors and contractors**

The BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration, the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000. For the fiscal year ending May 31, 2025, the Society paid remuneration of \$753,026 to five employees and two contractors (2024 – \$774,141 to six employees and two contractors), each of whom received total annual remuneration of \$75,000 or greater.

**12. Government grants**

	2025 \$	2024 \$
Canada Council for the Arts	443,750	443,750
Canadian - Heritage	17,100	18,100
City of Victoria	120,922	17,500
CRD Arts Development	407,400	407,400
BC Arts Council - Operating	279,000	279,000
BC Arts Council - Other	20,600	23,000
BC Government Community Gaming	79,000	74,000
Province of BC - Other	-	5,000
	<u>1,367,772</u>	<u>1,267,750</u>

**13. Financial risks and concentration of risks**

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of May 31, 2025.

**Credit risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to cash and cash equivalents and accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible in an allowance for doubtful accounts. The balance in the allowance for doubtful accounts as at May 31, 2025 is \$nil (2024 - \$nil)

**Liquidity risk**

Liquidity risk is the risk that the Society will be unable to fulfill its obligation on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments. There have been no changes in the risk exposures from the prior year.

**14. Comparative figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.