

Victoria Symphony Society
Financial Statements
Year Ended May 31, 2026

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, 2026, 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, 2026, 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.

Dusanj & Wirk

Victoria, British Columbia
September 10, 2026

Chartered Professional Accountants

Victoria Symphony Society
Statement of Financial Position
May 31, 2026

	2026 \$	2025 \$
Assets		
Current		
Cash and cash equivalents (Note 3)	2,490,901	2,167,497
Marketable securities	2,522	3
Accounts receivable	16,986	73,766
Prepaid expenses	44,888	33,413
	2,555,297	2,274,679
Capital assets (Note 5)	347,494	300,156
Total assets	2,902,791	2,574,835
Liabilities		
Current		
Accounts payable and accrued liabilities	289,317	278,043
Government remittances payable	18,244	5,425
Deferred revenue (Note 7)	1,506,079	1,485,125
	1,813,640	1,768,593
Deferred capital contributions	2,250	3,000
Total liabilities	1,815,890	1,771,593
Net assets	1,086,901	803,242
Total liabilities and net assets	2,902,791	2,574,835

Lease obligation (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, 2026

	Invested in capital assets \$	Unrestricted \$	2026 \$	2025 \$
Net assets - beginning of year	322,156	481,086	803,242	284,487
Excess of revenues over expenses	-	283,659	283,659	518,755
Amortization of capital assets	(28,430)	28,430	-	-
Amortization of deferred capital contributions	750	(750)	-	-
Capital asset purchases	75,768	(75,768)	-	-
Net assets - end of year	370,244	716,657	1,086,901	803,242

The accompanying notes are an integral part of these financial statements

Victoria Symphony Society
Statement of Operations
Year Ended May 31, 2026

	2026 \$	2025 \$
Revenues		
Earned	2,807,343	2,745,933
Donations and fundraising <i>(Notes 4, 9, 10)</i>	3,545,072	2,880,220
Government grants <i>(Note 12)</i>	1,383,414	1,367,772
	<u>7,735,829</u>	<u>6,993,925</u>
Expenses		
Administration	864,242	771,564
Artistic	4,121,106	3,837,126
Box office	169,730	168,028
Contribution to the Foundation for the Victoria Symphony <i>(Note 4)</i>	223,733	9,213
Development and fundraising	347,269	517,785
Marketing	559,080	456,265
Production	1,167,010	715,189
	<u>7,452,170</u>	<u>6,475,170</u>
Excess of revenues over expenses	<u>283,659</u>	<u>518,755</u>

The accompanying notes are an integral part of these financial statements

Victoria Symphony Society
Statement of Cash Flows
Year Ended May 31, 2026

	2026 \$	2025 \$
Operating activities		
Excess of revenues over expenses	283,659	518,755
Items not affecting cash:		
Amortization of capital assets	28,430	23,560
Amortization of deferred capital contributions	(750)	(750)
	<u>311,339</u>	<u>541,565</u>
Changes in non-cash working capital:		
Accounts receivable	56,780	(49,912)
Government remittances receivable	-	9,950
Government remittances payable	12,819	5,425
Accounts payable and accrued liabilities	11,274	24,984
Deferred revenue	20,954	765,986
Prepaid expenses	(11,475)	(20,568)
	<u>90,352</u>	<u>735,865</u>
Cash flow from operating activities	<u>401,691</u>	<u>1,277,430</u>
Investing activities		
Purchase of capital assets	(75,768)	(13,680)
Sale of shares	-	71,496
Donation of shares	(2,519)	-
	<u>(78,287)</u>	<u>57,816</u>
Cash flow from (used by) investing activities	<u>(78,287)</u>	<u>57,816</u>
Increase in cash flow	323,404	1,335,246
Cash - beginning of year	<u>2,167,497</u>	<u>832,251</u>
Cash - end of year	<u>2,490,901</u>	<u>2,167,497</u>

The accompanying notes are an integral part of these financial statements

Victoria Symphony Society
Notes to Financial Statements
Year Ended May 31, 2026

1. Purpose of the Society

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.

Seminar fees are recognized as revenue of the General Fund when the seminars are held.

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 subsequent periods.

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Victoria Symphony Society
Notes to Financial Statements
Year Ended May 31, 2026

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

Contributed services

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, 2026, restricted grant cash held by the Society was \$88,177 (2025 - \$54,618).

Victoria Symphony Society
Notes to Financial Statements
Year Ended May 31, 2026

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, 2026, the Society received contributions from the Foundation totaling \$1,000,000 (2025 - \$900,000). The Society contributed \$223,733 to the Foundation (2025 - \$9,213). As at May 31, 2026 \$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 \$103,704 in March 2026, which will be added to its endowment fund. The Foundation had \$13,601,943 in its endowment fund at May 31, 2026.

5. Capital assets

	2026		2025	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Music Library	330,862	150,348	316,194	145,907
Music Instruments and equipment	156,655	118,061	146,848	116,288
Office equipment	389,450	308,866	338,157	295,132
Vehicles	57,223	14,306	57,223	8,583
Furniture and fixtures	45,654	42,115	45,654	41,230
Website	9,976	8,851	9,976	8,297
Leasehold improvements	24,362	24,141	24,362	22,821
	<u>1,014,182</u>	<u>666,688</u>	<u>938,414</u>	<u>638,258</u>
Net book value		<u>347,494</u>		<u>300,156</u>

During the year, \$28,430 (2025 - \$23,560) 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, 2026 is \$nil (2025 - \$nil).

Victoria Symphony Society
Notes to Financial Statements
Year Ended May 31, 2026

7. Deferred revenue

	2026 \$	2025 \$
Opening Balance	1,485,125	719,139
Amounts recognized as revenue in the year:		
Ticket sales	(892,660)	(629,858)
Grants and donations	(459,680)	(61,491)
	132,785	27,790
Amounts deferred to future years:		
Ticket sales	1,009,350	892,660
Grants and donations	363,944	564,675
Closing balance	1,506,079	1,485,125

Deferred ticket sales include \$7,765 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

On August 1, 2026, the Society entered into a lease for the rental of commercial offices until July 2029, with the option to renew for another three. The total obligation under this lease is as follows (all balances are plus triple net):

Contractual obligation repayment schedule:

	\$
2027	97,809
2028	121,499
2029	125,859
2030	21,073
	366,240

Due to an ongoing air quality issue with the former leased premises, the Society has terminated the lease of its former offices.

9. Revenue

Included in donations and fundraising revenues are \$nil (2025 - \$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 \$654,547 (2025 - \$453,526), 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 \$25,614 in February 2026, which will be added to its endowment funds. The Victoria Foundation had \$337,308,270 in its endowment fund at December 31, 2025.

Victoria Symphony Society
Notes to Financial Statements
Year Ended May 31, 2026

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, 2026, the Society paid remuneration of \$708,777 to four employees and two contractors (2025 – \$753,026 to five employees and two contractors), each of whom received total annual remuneration of \$75,000 or greater.

12. Government grants

	2026 \$	2025 \$
Canada Council for the Arts	443,750	443,750
Canada - Other	11,328	-
Canadian Heritage	17,100	17,100
City of Victoria	122,176	120,922
CRD Arts Development	426,060	407,400
BC Arts Council - Operating	279,000	279,000
BC Arts Council - Other	-	20,600
BC Government Community Gaming	84,000	79,000
	<u>1,383,414</u>	<u>1,367,772</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, 2026.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk 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, 2026 is \$nil (2025 - \$nil)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. 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.