Docusign Envelope ID: 367E53DC-B5BE-807A-8286-E133D7CDB33A

Foundation for The Victoria Symphony

Financial Statements

Year Ended May 31, 2026

Dusanj + Wirk CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Members of Foundation for The Victoria Symphony

Report on the Financial Statements

Opinion

We have audited the financial statements of Foundation for The Victoria Symphony (the "Foundation"), which comprise the statement of financial position as at May 31, 2026, and the statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation 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 Foundation 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 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.

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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.

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
July 30, 2026

Chartered Professional Accountants

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Foundation for The Victoria Symphony
Statement of Financial Position
May 31, 2026

	2026 $	2025 $
Assets		
Current		
Cash	286,827	64,950
Investments		
General portfolio *(Note 4)*	16,803,484	16,116,682
Future Fund portfolio *(Note 4)*	2,703,557	2,569,956
Total assets	19,793,868	18,751,588
Liabilities		
Current		
Accounts payable and accrued liabilities	6,179	5,847
Fund Balances		
Endowment Fund	13,601,943	13,394,535
Future Fund Internally Restricted	2,703,557	2,569,956
Unrestricted Fund	3,482,189	2,781,250
	19,787,689	18,745,741
Total liabilities and fund balances	19,793,868	18,751,588

On behalf of the Board

Pete Jando _____ *Director*

_____ *Director*

The accompanying notes are an integral part of these financial statements

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Foundation for The Victoria Symphony
Statement of Changes in Fund Balances
Year Ended May 31, 2026

	Endowment Fund $	Future Fund Internally Restricted $	Unrestricted Fund $	2026 $	2025 $
Fund balances - beginning of year	13,394,535	2,569,956	2,781,250	18,745,741	16,969,479
Excess of revenues over expenses	103,704	133,601	804,643	1,041,948	1,776,262
Interfund transfers *(Note 5)*	103,704	-	(103,704)	-	-
Fund balances - end of year	13,601,943	2,703,557	3,482,189	19,787,689	18,745,741

The accompanying notes are an integral part of these financial statements

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Foundation for The Victoria Symphony
Statement of Operations
Year Ended May 31, 2026

	Endowment Fund $	Future Fund Internally Restricted $	Unrestricted Fund $	2026 $	2025 $
Revenues					
Investment income	-	144,560	1,186,458	1,331,018	2,277,767
Donations and bequests	-	-	674,369	674,369	163,617
Canada Cultural Investment Fund grant	103,704	-	-	103,704	320,347
Vancouver Foundation *(Note 7)*	-	-	30,227	30,227	23,829
	103,704	144,560	1,891,054	2,139,318	2,785,560
Expenses					
Contribution to Victoria Symphony Society *(Note 6)*	-	-	1,000,000	1,000,000	900,000
Investment management fees	-	10,959	77,098	88,057	83,594
Professional fees	-	-	6,300	6,300	6,550
Insurance	-	-	1,833	1,833	1,897
Office	-	-	1,180	1,180	778
Advertising and promotion	-	-	-	-	1,479
Scholarships and donations	-	-	-	-	15,000
	-	10,959	1,086,411	1,097,370	1,009,298
Excess of revenues over expenses	103,704	133,601	804,643	1,041,948	1,776,262

The accompanying notes are an integral part of these financial statements

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Foundation for The Victoria Symphony
Statement of Cash Flows
Year Ended May 31, 2026

	2026 $	2025 $
Operating activities		
Excess of revenues over expenses	1,041,948	1,776,262
Items not affecting cash:		
Investment income net of management fees	(1,237,175)	(2,191,297)
Donations in kind	(133,227)	(89,990)
	(328,454)	(505,025)
Change in non-cash working capital:		
Accounts payable and accrued liabilities	330	787
Cash flow used by operating activities	(328,124)	(504,238)
Investing activities		
Proceeds from sale of donations in kind	133,227	89,990
Additions to investment portfolio	(583,227)	(548,870)
Withdrawals from investment portfolio	1,000,001	913,558
Cash flow from investing activities	550,001	454,678
Increase (decrease) in cash flow	221,877	(49,560)
Cash - beginning of year	64,950	114,510
Cash - end of year	286,827	64,950

The accompanying notes are an integral part of these financial statements

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1. Purpose of the Foundation

Foundation for The Victoria Symphony (the "Foundation") is a not-for-profit organization under the Societies Act (British Columbia).The Foundation is a registered charitable organization and is exempt from the payment of income taxes under the Income Tax Act.

The objectives of the Foundation are to promote and support the Victoria Symphony Society (the "Society") and the presentation of symphonic music principally on Vancouver Island; 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, at all times, adherence to the donors' directions.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Fund accounting

Foundation for The Victoria Symphony follows the restricted fund method of accounting to recognize external restrictions applied to contributions from donors and grantors, and to recognize internal restrictions made by the Board of Directors of the Foundation.

The Unrestricted Fund reports revenues and expenditures of the Foundation including investment income (losses) and donations and grants received for which there are no restrictions imposed by the donor or grantor. Revenues and direct expenses attributable to the Future Fund are reported in that fund.

The Endowment Fund comprises matching grant amounts received from the Canadian Heritage Cultural Investment Fund - Endowment Incentives Program as administered by Canadian Heritage and the private donations received by the Foundation that give rise to qualification for the matching grants. The Endowment Fund is to be maintained in perpetuity in the Foundation’s restricted assets in accordance with the grant agreement between the Foundation and the Minister of Canadian Heritage. All income earned on the Endowment Fund becomes the property of the Unrestricted Fund.

The Future Fund comprises amounts of otherwise Unrestricted Fund balances that have been set aside by internal restriction by the Foundation’s Board of Directors. The Future Fund was established by motion of the Foundation Board of Directors in 2020 in collaboration with the Society Board of Directors with the objective of enhancing the Foundation's ability to provide additional financial support to the Society in the event of unexpected adverse financial results experienced by the Society in a year.

Donated services and materials

The Foundation benefits greatly from donated services in the form of volunteer time. The value of donated services is not recognized in these financial statements. Assets donated are recorded at fair value at the date of contribution.

Donations and bequests

When matching grants are received from the Canada Cultural Investment Fund, the matched contributions are transferred to the Endowment Fund.

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2. Significant accounting policies *(continued)*

Financial instruments

The Foundation's financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred for financial instruments subsequently measured at fair value. Transaction costs are added to or deducted from the fair value of financial instruments subsequently measured at amortized cost.

Financial assets measured at fair value are the Foundation's investments. Financial assets measured at amortized cost are cash and accounts receivable; financial liabilities measured at amortized cost are accounts payable and accrued liabilities.

Revenue recognition

Foundation for The Victoria Symphony follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions designated for the Future Fund are recognized as revenue of the relevant fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are reported in the Endowment Fund in the year received.

Investment income in the respective funds consists of interest and dividend income received from investments along with realized and unrealized gains and losses on investments, that are recorded on the accrual basis. The Foundation also receives distributions from the Vancouver Foundation that are recorded as revenue when received or receivable.

3. Donor specific funds

The John H. McEown Family Trust fund comprises donations totaling $370,897 to May 31, 2026 (2025: $370,897), of which $318,311 is included in the Endowment Fund along with an equal amount of matching grants from the Canada Cultural Heritage Fund Endowment Incentives Program. The balance of the donations remained in the Unrestricted Fund.

The Sandra Lackenbauer fund comprises donations totaling $157,000 to May 31, 2026 (2025: $157,000) of which $103,127 is included in the Endowment Fund along with an equal amount of matching grants from the Canada Cultural Heritage Fund Endowment Incentives Program. The balance of the donations remained in the Unrestricted Fund.

The Dallas and Len Chapple fund comprises donations totaling $900,000 to May 31, 2026 (2025: $900,000) of which $301,993 is included in the Endowment Fund along with an equal amount of matching grants from the Canada Cultural Heritage Fund Endowment Incentives Program. The balance of the donations remained in the Unrestricted Fund. This donor directed that $400,000 plus be held in the Unrestricted Fund to be available to the Society as it deems appropriate for artistic purposes and areas of greatest financial need. On June 1, 2020 the Foundation transferred $400,000 from the Dallas and Len Chapple fund in the Unrestricted Fund to the Society.

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4. Investments

At May 31, 2026, the investments were managed by Jarislowsky Fraser and invested as follows:

	2026 $	2025 $
General portfolio		
Canadian Equity Fund	3,867,202	3,787,234
Bond Fund	3,103,473	2,939,786
International Pooled Fund CS	2,865,189	2,770,977
US Equity Fund	2,720,029	2,636,123
Fixed Income Core Plus Fund	2,571,512	2,484,952
Emerging Markets Equity Fund CS	654,244	527,319
Dynamic Global Infrastructure Fund	519,757	450,616
Cash and Cash Equivalents	481,753	519,675
S&P 500 Index Pool Fund	10,766	-
Dividend Pool Fund	9,559	-
	16,803,484	16,116,682
Future Fund portfolio:		
Global Balanced Fund	1,493,475	1,392,092
Bond Fund	1,138,107	1,096,873
Cash and Cash Equivalents	71,975	80,991
	2,703,557	2,569,956
	19,507,041	18,686,638

The General portfolio includes investments of $13,601,943 for the Endowment Fund with the remaining $3,201,541 belonging to the Unrestricted Fund.

5. Interfund transfers

The following interfund transfers occurred in the current year:

	Endowment Fund $	Future Fund $	Unrestricted Fund $	2026 $
Regarding Heritage Canada Matching Grant	103,704	-	(103,704)	-
	103,704	-	(103,704)	-

The amount transferred from the Unrestricted Fund to the Endowment Fund represents donations and bequests matched during the year by grants from the Canada Cultural Investment Fund. Matching grants are applied for based on donations and bequests received in a 12-month period ended November 30 in the Foundation’s fiscal year and are approved and received prior to the end of the fiscal year.

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6. Support for The Victoria Symphony Society

As described in Note 1, one of the Foundation's objectives is to promote and support Victoria Symphony Society (the "Society"). The bylaws of the Foundation provide that its Board comprises not less than seven members of which three are appointed by the Society, and these three appointees must include the President of the Society and the Treasurer of the Society.

During the year the Foundation provided contributions to the Society in the amount of $1,000,000 (2025: $900,000) to support the annual operations of the Society.

Contributions by the Foundation in support of the Society are at the discretion of the Foundation Board in accordance with the statutory obligation to disburse a sum equal to 5% of total assets and the following:

1. The Foundation has adopted a policy to make regular annual contributions to support the operations of the Society determined as the total investments held by the Foundation eighteen months in advance of each upcoming season multiplied by a preset percentage. The preset percentage for the 2026 year was 5.00% (2025: 5.00%). The actual amount of any regular annual contribution to the Society is determined by the Foundation Board each year based on an assessment of the current financial results of the Society and the current financial capacity of the Foundation.

2. The Foundation Board will consider additional contributions to the Society in any year in the event of unusual or unexpected adverse financial conditions experienced by the Society in a year. The actual amount of any such additional contribution to the Society would be determined by the Foundation Board based on an assessment of the current financial results of the Society and the current financial capacity of the Foundation.

3. The Society may from time to time make contributions out of operating surpluses arising within the Society. Under the terms of a Memorandum of Understanding between the Foundation and the Society dated July 5, 2021, the parties recognized that, in the event the Society experiences unexpected adverse financial conditions, the Society may request a return of some or all of contributions previously made by the Society to the Foundation.

During the year, contributions by the Society to the Foundation were $nil (2025: $nil).

In July 2021, the Society adopted a policy to donate to the Foundation unrestricted bequests received by the Society. In the current year the Society donated $223,733 (2025: $9,213) of such bequests to the Foundation. These amounts are included in Donations and Bequests revenue by the Foundation.

7. Vancouver Foundation

The Foundation for The Victoria Symphony established an endowment fund with the Vancouver Foundation in 1992. The endowment fund is held and administered by the Vancouver Foundation in perpetuity for the benefit of the Foundation for The Victoria Symphony. Since the Foundation for The Victoria Symphony only receives the annual income from the fund, the endowment is not shown in these statements.

There were no contributions to the endowment fund held by the Foundation for The Victoria Symphony for the fiscal year 2026. The fund earns investment income in accordance with the Investment Policy of the Vancouver Foundation. Distributions from the fund are determined by the Distribution Policy of the Vancouver Foundation which was 5.00% for 2026. Earned income from the endowment fund during fiscal year 2026 was $30,227 (2025: $23,829), which is reported as contributions from the Vancouver Foundation in these financial statements.

As at the Foundation's financial year end (May 31, 2026), the endowment fund had an estimated market value of $510,497 (2025: $512,870).

The Vancouver Foundation levies an annual administration fee equal to 1.40% of the fair value of the fund each year.

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8. Financial risks and concentration of risks

The Foundation is exposed to various risks through its financial instruments and it is the Board's opinion that the Foundation's investment managers are taking the necessary steps to mitigate these risks through construction of diversified portfolios of instruments traded on various markets across various industries. The following analysis provides information about the Foundation's risk exposure and concentration as of May 31, 2026. There have been no significant changes to the Foundation's risk exposure from the prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation does not face significant credit risk exposure.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Foundation is exposed to market risk due to their investments.

Currency risk

Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk on investments held in foreign currencies. The Foundation does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Foundation is exposed to interest rate risk primarily through its investments in fixed income securities because the fair value will fluctuate with changes in market interest rates.

Unless otherwise noted, it is management’s opinion that the Foundation is not exposed to significant other financial risks arising from these financial instruments.