



Doane
Grant Thornton

Financial Statements

Big Brothers Big Sisters of Toronto

December 31, 2025

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Independent Auditor's Report

To the Members of
Big Brothers Big Sisters of Toronto

Qualified opinion

We have audited the financial statements of Big Brothers Big Sisters of Toronto ("the Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, 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 qualified opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, deficiency of revenue over expenditures and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. The audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified 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 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.

Independent Auditor's Report (continued)

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.

Mississauga, Canada
May 20, 2026

Doane Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

Big Brothers Big Sisters of Toronto

Statement of Operations

Year ended December 31	2025	2024
Revenue		
Donations	\$ 1,820,531	\$ 1,984,898
Fundraising events and activities (Note 8)	1,187,197	1,122,524
Grants	967,196	932,246
Investment and other income	44,777	10,412
Amortization of deferred capital contributions	9,424	9,152
	<u>4,029,125</u>	<u>4,059,232</u>
Expenditures		
Salaries and related benefits	3,107,508	3,237,936
Fundraising events and activities (Note 8)	378,544	441,043
Building occupancy	207,502	215,879
Computer supplies and services	153,249	181,085
Insurance	102,686	93,279
Professional and consulting	85,503	158,142
Membership dues	68,853	68,850
Program expenses	57,960	33,584
Office supplies and services	53,128	64,054
Fund development and marketing	44,878	-
Amortization	39,778	42,618
Scholarships	17,330	19,915
Staff development	17,115	41,911
Bank charges	14,534	14,148
Interest on long-term debt	5,191	4,702
Volunteer recruitment and retention	3,194	30,066
Bad debts	39	25,000
	<u>4,356,992</u>	<u>4,672,212</u>
Deficiency of revenue over expenditures	\$ (327,867)	\$ (612,980)

Big Brothers Big Sisters of Toronto

Statement of Changes in Net Assets

Year ended December 31

	Endowment	Internally Restricted	Unrestricted	Invested in Capital Assets	Total 2025	Total 2024
Balance, beginning of year	\$ 250,000	\$ 109,713	\$ 441,721	\$ 110,534	\$ 911,968	\$ 1,524,948
Deficiency of revenue over expenditures	-	-	(297,513)	(30,354)	(327,867)	(612,980)
Purchase of capital assets	-	-	(9,791)	9,791	-	-
Deferred capital contributions received	-	-	9,791	(9,791)	-	-
Balance, end of year	<u>\$ 250,000</u>	<u>\$ 109,713</u>	<u>\$ 144,208</u>	<u>\$ 80,180</u>	<u>\$ 584,101</u>	<u>\$ 911,968</u>

See accompanying notes to the financial statements.

Big Brothers Big Sisters of Toronto

Statement of Financial Position

December 31

2025

2024

Assets

Current

Cash	\$ 276,119	\$ 499,262
Investments (Note 3)	657,201	654,123
Accounts receivable	49,181	196,290
Prepaid expenses	109,589	152,801
	<u>1,092,090</u>	<u>1,502,476</u>

Investments held for endowment (Note 3 and 7)	250,000	250,000
Capital assets (Note 4)	100,296	130,282
Charitable life insurance - cash surrender value	83,130	83,130
	<u>\$ 1,525,516</u>	<u>\$ 1,965,888</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 123,546	\$ 195,719
Deferred contributions (Note 5)	766,253	785,406
Current portion of long-term debt	-	8,797
	<u>889,799</u>	<u>989,922</u>

Long-term deferred contributions (Note 5)	-	6,000
Deferred lease inducement	31,500	38,250
Deferred contribution related to capital assets	20,116	19,748
	<u>941,415</u>	<u>1,053,920</u>

Net assets

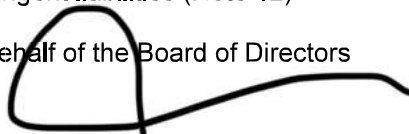
Endowment (Note 7)	250,000	250,000
Internally Restricted	109,713	109,713
Unrestricted	144,208	441,721
Invested in Capital Assets	80,180	110,534
	<u>584,101</u>	<u>911,968</u>
	<u>\$ 1,525,516</u>	<u>\$ 1,965,888</u>

Commitments (Note 10)

Guarantees (Note 11)

Contingent liabilities (Note 12)

On behalf of the Board of Directors



Chair



Treasurer

Big Brothers Big Sisters of Toronto

Statement of Cash Flows

Year ended December 31

2025

2024

Increase (decrease) in cash

Operating

Deficiency of revenue over expenditures	\$ (327,867)	\$ (612,980)
Items not affecting cash		
Amortization	39,778	42,618
Increase in cash surrender value of life insurance	-	(4,752)
Amortization of lease inducement	(6,750)	(6,750)
Amortization of deferred capital contribution	(9,424)	(9,152)
Capital asset written off	-	1,445
	<u>(304,263)</u>	<u>(589,571)</u>
Change in non-cash working capital items		
Accounts receivable	147,109	62,858
Prepaid expenses	43,212	(59,711)
Accounts payable and accrued liabilities	(72,173)	31,565
Deferred contributions	<u>(19,153)</u>	<u>74,099</u>
	<u>(205,268)</u>	<u>(480,760)</u>

Financing

Long-term deferred contributions (note 5)	(6,000)	-
Repayment of long-term debt	(8,797)	(12,659)
Deferred contribution related to capital assets	<u>9,792</u>	<u>-</u>
	<u>(5,005)</u>	<u>(12,659)</u>

Investing

Purchase of capital assets	(9,792)	-
Purchase of investments - Net	<u>(3,078)</u>	<u>(835,903)</u>
	<u>(12,870)</u>	<u>(835,903)</u>

Decrease in cash (223,143) (1,329,322)

Cash

Beginning of year	<u>499,262</u>	<u>1,828,584</u>
End of year	<u>\$ 276,119</u>	<u>\$ 499,262</u>

Big Brothers Big Sisters of Toronto

Notes to the Financial Statements

December 31, 2025

1. Nature of operations

Big Brothers Big Sisters of Toronto (the "Organization") is a chartered member of Big Brothers Big Sisters of Canada and recruits, matches and monitors volunteers to children and youth from families living in Toronto in order to positively influence the children's/youths' developmental growth. The Organization is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act. Accordingly, it is exempt from income taxes.

2. Summary of significant accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized in 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.

Contributions for capital assets are recognized as revenue on the same basis as the amortization of the related asset.

Government assistance is recognized when there is reasonable assurance that the Organization will comply with the conditions required to qualify for the subsidy, and the subsidy is reasonably assured to be received. The Organization recognizes government assistance as revenue.

Investment and other income are recognized as revenue when earned.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution.

Amortization is provided using the straight-line method over the following periods:

Computer equipment	3 years Straight-line
Furniture and fixtures	5 years Straight-line
Leasehold improvements	Straight-line over the lease term

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

Big Brothers Big Sisters of Toronto

Notes to the Financial Statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Lease inducements

Lease inducements are amortized on a straight-line basis over the term of the lease and are recorded as a reduction in building occupancy expense.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments are comprised of cash, investments, accounts receivable, charitable life insurance, accounts payable and long-term debt. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess (deficiency) of revenue over expenditures. The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Contributed materials and services

The Organization is dependent on the ongoing support of volunteers to assist the Organization in delivering its services. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Contributed program materials are recorded at fair value, when determinable, on receipt of the item and are recorded as "in-kind" revenue if the donated item would have been purchased by the Organization in the normal course of operations. A corresponding "in-kind" expense is recorded at an equal amount.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Accounts specifically affected by estimates in these financial statements are accounts receivable, accounts payable and accrued liabilities, and deferred revenue.

Big Brothers Big Sisters of Toronto

Notes to the Financial Statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Net assets

The Organization accounts for and reports on the separate activities or objectives as determined by resolution of the Board of Directors (hereinafter the "Board"). Net asset balances are comprised of the following categories:

Unrestricted net assets

The unrestricted net assets are available for all unrestricted general purpose activities of the Organization.

Internally restricted net assets

The purpose of this fund is to allow the Organization to meet its critical expense obligations should it experience deficits, as a result of revenue shortfalls. The intent, over time, is for the Organization to build up funds that allows the Organization to cover 6 months of expenses, if required to do so. The fund forms part of the investment balance at December 31, 2025.

Changes to the internally restricted net assets require Board approval.

Invested in capital assets

The Invested in capital assets includes the cost of capital assets acquired, less accumulated amortization, related accounts payable, and deferred capital contributions. Acquisition of capital assets is funded through interfund transfers from the unrestricted fund.

Endowment

The purpose of this fund is to award scholarships to eligible participants of Big Brothers Big Sisters of Toronto programs in pursuing post secondary education. The fund balance and the interest earned are held as investments as the funds are not available for current use beyond the scholarship disbursements each year. Interest earned on the assets of the fund are recognized in the statement of operations.

3. Investments

The terms of the corporate credit agreement with the Royal Bank of Canada require the Organization to hold \$65,000 in the form of a guaranteed investment certificate ("GIC") as security, and it is thus not available for use in operations. At December 31, 2025, investments of \$907,201 (2024: \$904,123) include this GIC, bear interest of 2.05% to 2.30% (2024: 2.90% to 3.59%) and mature between February 14, 2026 and December 31, 2026 (2024: between February 13, 2025 and November 15, 2025). Except for the investment held for endowment, investments are classified as a current asset since it is held as collateral for the credit card liability which is a current liability. The outstanding balance on the credit card at December 31, 2025 is \$23,840 (2024: \$13,204) and has been included in accounts payable and accrued liabilities on the statement of financial position. Investments include \$250,000 restricted for the endowment, is reinvested and held for the long-term, hence the classification as long-term.

Big Brothers Big Sisters of Toronto

Notes to the Financial Statements

December 31, 2025

4. Capital assets

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 168,977	\$ 91,413	\$ 77,564	\$ 94,184
Computer equipment	84,558	61,826	22,732	35,561
Furniture and fixtures	5,374	5,374	-	537
	<u>\$ 258,909</u>	<u>\$ 158,613</u>	<u>\$ 100,296</u>	<u>\$ 130,282</u>

5. Deferred contributions

Deferred contributions reported in the statement of financial position represents restricted operating funding received in the current period that is related to a subsequent period.

	<u>2025</u>	<u>2024</u>
Short-term		
Big Brothers Big Sisters of Canada funding	\$ 148,599	\$ 286,081
Other grants	129,000	343,081
Program/event donations	4,551	2,511
Deferred endowment revenue	35,495	-
Donations	<u>448,608</u>	<u>153,733</u>
	766,253	785,406
Long-term		
Donations	<u>-</u>	<u>6,000</u>
	<u>\$ 766,253</u>	<u>\$ 791,406</u>

Changes in deferred revenue are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 791,406	\$ 717,307
Add: amounts received during the year	3,293,214	2,286,595
Less: amounts recognized as revenue in the year	<u>(3,318,367)</u>	<u>(2,212,496)</u>
	<u>\$ 766,253</u>	<u>\$ 791,406</u>

6. Credit facility

The Organization has a credit facility of \$250,000 available to fund its operations. The amount outstanding at December 31, 2025 is \$Nil (2024 - \$Nil). Any outstanding amount is due on demand and bears interest at The Bank of Nova Scotia's prime lending rate plus 1%. The Organization has pledged a general security agreement over all assets as collateral for this facility.

Big Brothers Big Sisters of Toronto

Notes to the Financial Statements

December 31, 2025

7. Endowment

Investments include \$250,000 restricted for the endowment. Undisbursed interest earned in the amount of \$35,495 (2024 - \$45,164) at year end is restricted, included in investments and deferred contributions.

Changes in undisbursed interest are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 45,164	\$ 56,117
Add: interest earned during the year	7,661	8,962
Less: amounts recognized as revenue in the year	<u>(17,330)</u>	<u>(19,915)</u>
	<u>\$ 35,495</u>	<u>\$ 45,164</u>

8. Fundraising events and activities

	<u>Revenue</u>	<u>Expenses</u>	<u>2025 Net</u>	<u>2024 Net</u>
The Big Chill	\$ -	\$ -	\$ -	\$ 35,050
Big Night Out	940,320	353,020	587,300	561,125
Third Party Fundraising	82,517	667	81,850	88,895
Big and Little events	-	3,290	(3,290)	(3,589)
Big on Bay	<u>164,360</u>	<u>21,567</u>	<u>142,793</u>	<u>-</u>
	<u>\$ 1,187,197</u>	<u>\$ 378,544</u>	<u>\$ 808,653</u>	<u>\$ 681,481</u>

Revenue and expenses do not include the value of donated materials and services.

9. Financial instruments

Financial instrument risk exposure and management

Management has established policies and procedures to manage risks related to financial instruments, with the objective of minimizing any adverse effects on financial performance. A brief description of management's assessments of these risks is as follows:

General objective, policies and processes

The Board and management are responsible for the determination of the Organization's risk management objectives and policies and designing operating processes that ensure the effective implementation of the objectives and policies. In general, the Organization measures and monitors risk through the preparation and review of monthly reports.

It is management's opinion that the Organization is not exposed to any significant foreign currency or credit risk arising from its financial instruments. All of the Organization's cash and investments are held at major Canadian financial institutions.

Big Brothers Big Sisters of Toronto

Notes to the Financial Statements

December 31, 2025

9. Financial instruments (continued)

(a) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. As at December 31, 2025, the allowance for doubtful accounts is \$Nil (2024 - \$Nil).

(b) Liquidity risk

Liquidity risk is defined as the risk that the Organization may not be able to settle or meet its obligations as they become due. The Organization is exposed to this risk mainly in respect of its long-term debt and its accounts payable. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Interest rate risk

Interest rate price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's financial instruments expose it to interest rate price risk due to its investments with fixed interest rates. This risk is mitigated by the Organization through investing in or utilizing instruments which have a low susceptibility to significant fluctuations in market interest rates.

There have been no changes to the assessed risk exposure from the prior year.

10. Lease commitments

The Organization is committed to the following annual lease payments for office space and equipment in the years ended December 31:

2026	\$ 265,000
2027	224,000
2028	222,000
2029	221,000
2030	<u>147,000</u>
	<u>\$ 1,079,000</u>

Big Brothers Big Sisters of Toronto

Notes to the Financial Statements

December 31, 2025

11. Guarantees

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee. The Organization's primary guarantees are as follows:

- a) The Organization has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements, the Organization agrees to indemnify the counterpart for various items including, but not limited to, all liabilities, loss, suits and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- b) Indemnity has been provided to all directors and/or officers of the Organization for various items including, but not limited to, all costs to settle suits or actions due to association with the Organization, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of the Organization. The maximum amount of any potential future payment cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterpart. Historically, the Organization has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the financial statements with respect to these agreements.

12. Contingent liabilities

In the normal course of operations, the Organization receives statements of claim; however the outcome of these claims are uncertain and, as a result no amounts have been accrued in these financial statements. The Organization will record the loss, if any, when the outcomes and settlement amounts are readily determinable, net of any insurance coverage.

13. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.
