

Financial Statements of

**BIG BROTHERS BIG SISTERS OF
CANADA/LES GRANDS FRÈRES
GRANDES SOEURS DU CANADA**

And Independent Auditor's Report thereon

Year ended December 31, 2025

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Big Brothers Big Sisters of Canada/
Les Grands Frères Grandes Soeurs du Canada

Opinion

We have audited the financial statements of Big Brothers Big Sisters of Canada/Les Grands Frères Grandes Soeurs du Canada (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its result of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. A single horizontal line is drawn underneath the signature, starting from the left and extending to the right, ending under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 23, 2026

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 717,931	\$ 636,098
Restricted cash and cash equivalents - self-insured retention (note 2)	238,479	238,479
Restricted cash, cash equivalents and guaranteed investment certificates - group deductible fund (note 3)	814,326	816,630
Short-term investments (note 4)	1,887,577	1,875,204
Accounts receivable (notes 5 and 13)	224,547	226,964
Prepaid expenses	186,945	55,805
	4,069,805	3,849,180
Investments (note 4)	1,427,152	1,077,782
Capital assets (note 6)	149,450	4,609
	\$ 5,646,407	\$ 4,931,571

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 220,816	\$ 290,882
Deferred contributions (note 8)	2,292,548	1,986,848
Deferred agency fees	52,514	103,424
Deferred vendor inducement (note 9)	91,610	—
Self-insured retention (note 2)	238,479	238,479
Group deductible fund (note 3)	814,326	816,630
	3,710,293	3,436,263
Net assets:		
Unrestricted	400,848	141,398
Internally restricted (note 10)	1,164,576	958,914
Endowment funds	370,690	394,996
	1,936,114	1,495,308
Operating lease commitments (note 12)		
Contingencies (note 14)		
	\$ 5,646,407	\$ 4,931,571

See accompanying notes to financial statements.

On behalf of the Board:

Breanne Oliver Chair Gunvir Kalra Treasurer

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Corporate donations (note 1(d))	\$ 3,080,122	\$ 3,158,904
Agency fees	1,938,127	1,984,756
Government funding	1,559,931	2,331,125
General donations and other	201,647	128,339
Interest and investment	142,220	197,402
Unrealized gain on investments	123,390	82,458
	7,045,437	7,882,984
Expenses:		
Distributions to agencies	3,351,899	3,771,251
Agency services and development (notes 1(d) and 11)	2,239,456	2,631,653
Office operations (notes 1(d) and 11)	700,481	780,505
Fundraising (note 11)	273,524	212,101
Board operations	8,836	1,762
Amortization of capital assets	6,129	6,279
	6,580,325	7,403,551
Excess of revenue over expenses	\$ 465,112	\$ 479,433

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Statement of Changes in Net Assets

Year ended December 31, 2025, with comparative information for 2024

	2025			2024	
	Unrestricted	Internally restricted (note 10)	Endowment funds	Total	Total
Balance, beginning of year	\$ 141,398	\$ 958,914	\$ 394,996	\$ 1,495,308	\$ 1,012,507
Excess of revenue over expenses	465,112	–	–	465,112	479,433
Interfund transfer (note 10)	(205,662)	205,662	–	–	–
Change in endowment funds	–	–	(24,306)	(24,306)	3,368
Balance, end of year	\$ 400,848	\$ 1,164,576	\$ 370,690	\$ 1,936,114	\$ 1,495,308

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 465,112	\$ 479,433
Addition to deferred vendor inducement	110,305	–
Items not involving cash:		
Amortization of capital assets	6,129	6,279
Amortization of deferred vendor inducement	(18,695)	–
Unrealized gain on investments	(123,390)	(82,458)
	439,461	403,254
Change in non-cash operating working capital:		
Restricted cash, cash equivalents and guaranteed investment certificates - group deductible fund	2,304	98,036
Accounts receivable	2,417	(71,654)
Prepaid expenses	(131,140)	2,655
Accounts payable and accrued liabilities	(70,066)	(235,090)
Deferred contributions	305,700	(606,916)
Deferred agency fees	(50,910)	(178,151)
Group deductible fund	(2,304)	(98,036)
	495,462	(685,902)
Investing activities:		
Purchase of capital assets	(150,970)	–
Net change in short-term investments	(12,373)	(435,536)
Net change in long-term investments	(225,980)	143,619
Change in endowment funds	(24,306)	3,368
	(413,629)	(288,549)
Increase (decrease) in cash and cash equivalents	81,833	(974,451)
Cash and cash equivalents, beginning of year	636,098	1,610,549
Cash and cash equivalents, end of year	\$ 717,931	\$ 636,098

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements

Year ended December 31, 2025

Big Brothers Big Sisters of Canada/Les Grands Frères Grandes Soeurs du Canada (the "Organization") is a national organization providing services to its member agencies in support of local mentoring programs for children and youth across Canada. The Organization was incorporated under the Canada Corporations Act by letters patent on December 15, 1964 as a corporation without share capital and was legally continued under the Canada Not-for-Profit Corporations Act on August 27, 2014.

The Organization is registered under the Income Tax Act (Canada) effective January 1, 1967 and as such is exempt from Canadian income taxes and is able to issue donation receipts for income tax purposes under registration number 118808740 RR0001.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions, which include corporate donations, government funding, agency fees, general donations and others.

Agency fees are recognized as revenue in the year they relate. Unrestricted contributions are recognized as revenue on receipt or when receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions for specific projects are recorded as deferred contributions when received and recognized as revenue when the related expense is incurred. Contributions for the purchase of capital assets are deferred and recorded as revenue over the estimated useful life of the acquired asset. Donations of investments which, due to external restrictions, cannot be used to fund current expenses are recorded as deferred contributions on receipt and recognized as revenue when the external restriction is fulfilled.

Endowment contributions are recognized as direct increases in net assets in the year received. Investment income earned on endowed funds that are restricted, is deferred and recognized in income when the related restrictions have been met. Income earned on endowed funds that are unrestricted, is recognized in income in the year.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

Unrealized gains/losses on endowed funds are included in the statement of changes in net assets and losses are monitored for capital erosion, if other than temporary.

Interest and investment income is recorded on an accrual basis.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with maturity dates within three months after year-end. These financial assets are convertible to known amounts of cash and are subject to an insignificant risk of change in value.

(c) Short-term investments:

The short-term investments are comprised of term deposits with maturities between three months and one year subsequent to year-end.

(d) Donations in-kind:

Contributed goods and services are recognized when fair value can be reasonably estimated, and when the goods and services are used in the normal course of the operations and would otherwise have been purchased.

Certain donated goods and services of \$100,000 (2024 - \$100,000) are recorded in these financial statements as both a revenue and an expense item at the fair value of the item at the time of receipt.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(e) Capital assets:

Capital assets purchased by the Organization are recorded at cost. Capital assets donated to the Organization are recorded at fair value at the date of contribution. Amortization of capital assets is provided for using the straight-line method over the assets' estimated useful lives as follows:

Computer equipment	5 years
Computer software	5 years

Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. The assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to the Organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital assets are less than their net carrying amounts.

(f) Allocation of expenses:

The Organization engages in general administration, fundraising, and agency support and development. The costs of agency support and fundraising include the costs of personnel that are directly related to providing agency support services and fundraising, respectively.

The Organization allocates certain of its personnel expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year. Corporate governance and general management expenses are not allocated.

The salary and benefits costs of the National Office staff are allocated to each of agency support and fundraising based on the average time spent related to each function.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(g) Financial instruments:

Financial assets and liabilities are recognized when the Organization becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights and obligations to receive or repay cash flows from the assets and liabilities have expired or have been transferred and the Organization has transferred substantially all the risks and rewards of ownership.

Financial instruments are recorded at fair value on initial recognition and subsequently at amortized cost except for fixed income and equities, which are recorded at fair value. Changes in fair value are recognized in the statement of operations.

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 Organization determines whether 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: (i) the present value of the expected cash flows; (ii) the amount that could be realized from selling the financial asset; or (iii) the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge. Impairments are recognized through the use of an allowance account, with a corresponding charge in the statement of operations.

(h) Deferred vendor inducement:

Deferred vendor inducement represents a vendor incentive received in connection with storage costs incurred by the Organization. The amount is amortized over the term of the agreement.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(i) Use of estimates:

The preparation of financial statements 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. Actual results could differ from those estimates.

2. Restricted cash and cash equivalents - self-insured retention:

The Organization's previous insurance policy includes a self-insured retention portion, which is a type of deductible. As at December 31, 2025, the Organization has received \$238,479 (2024 - \$238,479), related to claims from fiscal years 2014 and 2015 from member agencies, in order to reserve for this balance. Based on 2014 and 2015 claims outstanding as at December 31, 2025, it is estimated that an amount up to \$313,155 (2024 - \$313,155) may be payable to the insurance company in respect of the self-insured retention. Actual results and liabilities may vary based on the settlement of each case.

The amount of restricted cash and cash equivalents for the self-insured retention is as follows:

	2025	2024
Cash and cash equivalents	\$ 238,479	\$ 238,479

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

3. Restricted cash, cash equivalents and guaranteed investment certificates - group deductible fund:

The Organization established a group deductible fund to reduce the impact of current and future insurance claims from 2016 and onwards resulting in a benefit to the entire Big Brothers Big Sisters network. As at December 31, 2025, the Organization has received \$814,326 (2024 - \$816,630) from member agencies, which includes the National Office's contribution of \$56,250 (2024 - \$6,250). These funds are held in trust on behalf of the network.

The amount of restricted cash, cash equivalents and guaranteed investment certificates ("GICs") for the group deductible fund is as follows:

	2025	2024
Cash and cash equivalents	\$ 258,623	\$ 208,348
GICs due between December 2026 and December 2029 (2024 - December 2025 and June 2028) bearing interest from 3.55% to 4.43% (2024 - 2.17% to 4.43%)	555,703	608,282
	\$ 814,326	\$ 816,630

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

4. Short and long-term investments:

Investments consist of the following:

	2025	2024
Short-term investments:		
GICs due within one year, bearing interest from 2.85% to 4.65% (2024 - 1.50% to 4.85%)	\$ 1,887,577	\$ 1,875,204
Long-term investments:		
GICs due in a period exceeding one year, bearing interest from 3.10% to 4.45% (2024 - 2.90% to 4.65%)	\$ 559,102	\$ 328,381
Fixed income securities	255,752	66,357
Canadian equities	238,939	258,891
Foreign equities	373,359	424,153
	\$ 1,427,152	\$ 1,077,782

5. Accounts receivable:

	2025	2024
Accounts receivable	\$ 249,851	\$ 309,421
Allowance for doubtful accounts	(25,304)	(82,457)
	\$ 224,547	\$ 226,964

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

6. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 278,516	\$ 261,347	\$ 17,169	\$ 4,609
Computer software	132,281	–	132,281	–
	\$ 410,797	\$ 261,347	\$ 149,450	\$ 4,609

Computer software includes \$132,281 (2024 - nil) of a project in process for which no amortization has been incurred. Amortization will commence when the asset is available for use.

7. Government remittances:

Government remittances consist of amounts (such as payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts come due. As at December 31, 2025, government remittances to the federal and provincial governments included in accounts payable and accrued liabilities amounted to \$3,097 (2024 - \$7,014). These amounts are not in arrears.

8. Deferred contributions:

Deferred contributions represent externally restricted unspent resources received in the current and prior years that relate to a subsequent period. Changes in the deferred contributions balance are as follows:

	2025	2024
Balance, beginning of year	\$ 1,986,848	\$ 2,593,764
Amounts recognized as revenue in the year	(4,420,438)	(4,489,287)
Amounts received in the year	4,726,138	3,882,371
Balance, end of year	\$ 2,292,548	\$ 1,986,848

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Deferred vendor inducement:

	2025	2024
Balance, beginning of year	\$ —	\$ —
Received during the year	110,305	—
Amortization	(18,695)	—
Balance, end of year	\$ 91,610	\$ —

The deferred vendor inducement has been classified as a current liability on the statement of financial position as the agreement can be terminated at any time, and upon termination, the unamortized inducement becomes immediately repayable to the vendor.

10. Internally restricted:

Restrictions of the General Fund have been established by the Board of Directors. These funds have been earmarked to respond to economic downturns, or other unforeseen circumstance that would require immediate funding sources. Internally restricted funds are not available for other purposes without approval of the Board of Directors. During the year, the Board of Directors approved a motion to increase the internally restricted fund by \$205,662 (2024 - \$416,608).

11. Allocation of expenses:

Salary and benefit expenses reported in the statement of operations total \$2,125,647 (2024 - \$1,806,258). An allocation of \$1,594,235 (2024 - \$1,354,693) has been made to agency services, \$212,565 (2024 - \$180,626) to fundraising, with \$318,847 (2024 - \$270,939) included in office operations.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

12. Operating lease commitments:

Rent for the current premises is recorded as an in-kind donation. The Organization has operating lease commitments for certain office equipment. The minimum rental payments for the next three years are as follows:

2026	\$ 2,606
2027	2,606
2028	652
	\$ 5,864

13. Financial risk management:

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

(a) General objectives, policies and processes:

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

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

13. Financial risk management (continued):

(b) Credit risk:

Credit risk is the risk a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Organization.

Financial instruments potentially exposed to credit risk include cash and cash equivalents, the short-term investments, investments and accounts receivable. Management considers its exposure to credit risk over cash and cash equivalents to be remote as the Organization holds its cash and cash equivalents deposits with two major Canadian banks. Credit risk relating to the term deposits in short-term investments is also considered remote as they are fixed income securities issued by a major Canadian financial institution. Accounts receivable are not concentrated significantly, therefore, their carrying amount represents the maximum credit risk exposure.

(c) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Interest rate risk arises when the Organization invests in interest bearing financial instruments. The Organization is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents or the short-term investments invested at short-term market interest rates.

(d) Liquidity risk:

Liquidity risk is defined as the risk the Organization may not be able to settle or meet its obligations as they come due.

The Organization has taken steps to ensure it will have sufficient working capital available to meet its obligations.

BIG BROTHERS BIG SISTERS OF CANADA/ LES GRANDS FRÈRES GRANDES SOEURS DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2025

13. Financial risk management (continued):

(e) Other price risk:

The Organization is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments in equity securities and pooled funds.

It is management's opinion that the Organization is not exposed to foreign currency or other market risks.

There have been no changes to the risk exposures from 2024.

14. Contingencies:

The Organization may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Such matters are subject to many uncertainties. Management believes that adequate provisions have been made in the accounts where required and the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of the Organization. Any amounts in settlement of claims in excess of the recorded provisions will be charged to the statement of operations in the year of the claim.