

AURORA HISTORICAL SOCIETY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Aurora Historical Society

Qualified Opinion

We have audited the financial statements of Aurora Historical Society (the "Society"), which comprise the statement of financial position as at December 31, 2024, statement of operations and net assets, statement of 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 possible 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 Society as at December 31, 2024, its financial performance 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 Society derives revenue from donations and fund-raising 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, contributions, general fund - shortfall of revenue over expenditures, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023 and net assets as at January 1 and December 31 for both 2024 and 2023. Our 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 Society 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 qualified 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 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.

Auditors' 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 auditors' 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 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 auditors' 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.



Chartered Professional Accountants
Licensed Public Accountants

Newmarket, Ontario
June 9, 2025

**AURORA HISTORICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
ASSETS		
Current		
Cash	\$ 64,687	\$ 109,532
Restricted cash (Note 3)	3,871	-
Short-term investments (Note 4)	68,541	65,738
Accounts receivable and accrued interest	7,239	2,478
Prepaid expenses	<u>11,101</u>	<u>10,726</u>
	155,439	188,474
FIXED (Note 5)	<u>5,222</u>	<u>6,640</u>
	<u>\$ 160,661</u>	<u>\$ 195,114</u>
LIABILITIES		
Current		
Accounts payable and accrued expenses (Note 9)	\$ 10,674	\$ 18,008
Deferred contributions (Note 8)	<u>4,521</u>	<u>9,139</u>
	<u>15,195</u>	<u>27,147</u>
NET ASSETS (Note 7)		
Invested in capital assets	5,222	6,640
Unrestricted	136,610	154,946
Restricted - Medical History Course	-	2,747
Restricted - Building and Grounds Fund	<u>3,634</u>	<u>3,634</u>
	<u>145,466</u>	<u>167,967</u>
	<u>\$ 160,661</u>	<u>\$ 195,114</u>

On behalf of the Board

_____ Director

_____ Director

See accompanying notes to the financial statements

BATEMAN, GRAHAM & FITZPATRICK
CHARTERED PROFESSIONAL ACCOUNTANTS

**AURORA HISTORICAL SOCIETY
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
REVENUES		
Grants	\$ 123,729	\$ 122,974
Sales, rental, advertising and other income	6,400	4,120
Donations	13,707	4,733
Bingo	10,435	-
Special events, programs and fundraising	10,244	17,645
Interest income	1,880	3,259
Tour admission	1,200	1,130
Membership	<u>1,970</u>	<u>1,300</u>
	<u>169,565</u>	<u>155,161</u>
EXPENDITURES		
Depreciation	1,418	1,820
Wages and benefits	134,605	145,341
Advertising	710	607
Insurance	13,361	12,510
Professional fees	5,396	5,646
Office and miscellaneous	9,708	10,430
Repairs and maintenance	13,144	14,657
Restoration - building and grounds fund	-	5,000
Special events, programs and fundraising	5,357	8,731
Awards and community events	1,968	1,369
Utilities	5,363	6,019
Curatorial and collection	<u>1,036</u>	<u>2,010</u>
	<u>192,066</u>	<u>214,140</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES FOR THE YEAR	(22,501)	(58,979)
NET ASSETS, beginning of year	<u>167,967</u>	<u>226,946</u>
NET ASSETS, end of year	<u>\$ 145,466</u>	<u>\$ 167,967</u>

See accompanying notes to the financial statements

BATEMAN, GRAHAM & FITZPATRICK
CHARTERED PROFESSIONAL ACCOUNTANTS

**AURORA HISTORICAL SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
SOURCES (USES) OF CASH:		
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures for the year	\$ (22,501)	\$ (58,979)
Items not involving cash		
Depreciation	<u>1,418</u>	<u>1,820</u>
	(21,083)	(57,159)
Changes in non-cash working capital items		
Short-term investments	(2,803)	(2,098)
Accounts receivable and accrued interest	(4,761)	7,505
Prepaid expenses	(375)	(907)
Accounts payable and accrued expenses	(7,334)	(24,931)
Deferred contributions	<u>(4,618)</u>	<u>4,139</u>
NET DECREASE IN CASH	(40,974)	(73,451)
CASH, beginning of year	<u>109,532</u>	<u>182,983</u>
CASH, end of year	<u>\$ 68,558</u>	<u>\$ 109,532</u>

See accompanying notes to the financial statements

BATEMAN, GRAHAM & FITZPATRICK
CHARTERED PROFESSIONAL ACCOUNTANTS

**AURORA HISTORICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

1. OPERATIONS

Aurora Historical Society is a non profit organization, incorporated without share capital, devoted to the preservation and sharing of Aurora's history. The organization is funded by various government agencies, charitable organizations, donations and fundraising efforts.

The organization is exempt from federal and provincial income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles, the most significant of which are summarized as follows:

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expense during the year. These amounts are reviewed periodically and any adjustments are reported in earnings in the period they become known. The principal estimates used in the preparation of these financial statements include useful life and valuation of fixed assets and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue recognition

The organization follows the restricted fund accounting method. Restricted contributions for which a corresponding restricted fund is presented are recognized as revenue of that fund in the current period. Unrestricted contributions are recognized as unrestricted revenue of the unrestricted fund in the current period. If a specific restricted fund has not been established then the deferred contribution method of accounting is followed. Revenues from government ministries and foundations are recognized when the Society has met the terms of any related contracts. Amounts received but where the Society has not met the conditions of the contract are recognized as deferred contributions.

Donations and other revenues are recorded as received.

Fixed assets

Fixed assets are stated at cost. Depreciation is calculated on the diminishing balance basis over the estimated useful lives of the assets. The percentages used are as follows:

Equipment	- 20%
Computer equipment	- 30%

Contributed services and materials

Donated services received by the organization are not recognized in the financial statements because of the difficulty in determining their fair value.

Donated materials received by the organization are recognized in the financial statements at fair market value.

**AURORA HISTORICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Financial instruments

Measurements of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and deferred revenue.

Impairment

Financial assets measured at cost are tested annually for impairment. If there are indicators of impairments, the amount of the write-down is recognized in net income.

Net assets

Unrestricted funds

The unrestricted funds are amounts that are available for use to carry out the activities of the organization.

Invested in capital assets

Invested in capital assets fund consists of net fixed assets, including purchases, disposals and amortization.

Restricted funds - Medical History Course

Approximately 25 years ago, the organization was a member of the British Apothecary Society and this fund was established to provide related courses.

Restricted Funds - Building and Grounds Fund

The building and grounds fund is internally restricted by the Board of Directors to the restoration and rehabilitations of the Hillary House.

3. CASH SUBJECT TO RESTRICTIONS

Bingo

Trust bank accounts are used for transactions involving bingo activities and are required by the Alcohol and Gaming Commission of Ontario. The use of the proceeds from these activities is limited to offsetting those direct expenses that are integral to the activities of the organization; namely, program costs, manuals, training, administration, communications and signature events.

4. SHORT-TERM INVESTMENTS

Short-term investments are comprised of cashable GIC's of \$68,541 (2023 - \$65,738), maturing August 1, 2025 (2023 - August 2, 2024). The interest rate is prime minus 2.95% (2023 - prime minus 2.8%).

**AURORA HISTORICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

5. FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment			
Balance, beginning of year	\$ 27,441	21,710	5,731
Depreciation		<u>1,146</u>	<u>1,146</u>
	<u>\$ 27,441</u>	<u>22,856</u>	<u>4,585</u>
Computer equipment			
Balance, beginning of year	\$ 11,268	10,361	907
Depreciation		<u>272</u>	<u>272</u>
	<u>\$ 11,268</u>	<u>10,633</u>	<u>635</u>
Hillary House land and building			
Balance, beginning and end of year	<u>\$ 1</u>	<u>-</u>	<u>1</u>
Hillary House, The Koffler Museum			
Balance, beginning and end of year	<u>\$ 1</u>	<u>-</u>	<u>1</u>
TOTALS	<u>\$ 38,711</u>	<u>\$ 33,489</u>	<u>\$ 5,222</u>

6. FINANCIAL RISK

Liquidity risk

Liquidity risk is that the organization will be unable to fulfill its obligations on a timely basis or at reasonable cost. Management manages liquidity risk by monitoring its operations requirements to ensure it has sufficient funds to fulfill its obligations.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument might be adversely affected by a change in the interest rates. The investments are exposed to interest rate risk arising from fluctuations in interest rates on its interest bearing cash and investment balances. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities.

7. CHANGE IN FUND BALANCES

	<u>Operating</u>	<u>Capital Assets</u>	<u>Restricted</u>	<u>2024</u>	<u>2023</u>
Net assets - beginning of the year	\$ 154,946	\$ 6,640	\$ 6,381	\$ 167,967	\$ 226,946
(Deficiency) excess of revenue over expenditures	<u>(18,336)</u>	<u>(1,418)</u>	<u>(2,747)</u>	<u>(22,501)</u>	<u>(58,979)</u>
	<u>\$ 136,610</u>	<u>\$ 5,222</u>	<u>\$ 3,634</u>	<u>\$ 145,466</u>	<u>\$ 167,967</u>

Each year the board reviews the surplus and determines if a transfer to the restricted funds is necessary. During the year, \$NIL (2023 - \$NIL) was approved by the board to use restricted building and grounds funds surplus for restorations.

**AURORA HISTORICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

8. DEFERRED CONTRIBUTIONS

Deferred contributions represents unspent funds received which have been externally restricted and must be utilized as prescribed.

	<u>2024</u>	<u>2023</u>
Deferred contributions - beginning of year	\$ 9,139	\$ 5,001
Contribution received	22,758	30,716
Program expenses recognized	(27,178)	(26,296)
Amortization expense recognized	<u>(198)</u>	<u>(282)</u>
Deferred contributions - end of year	<u>\$ 4,521</u>	<u>\$ 9,139</u>

9. GOVERNMENT REMITTANCES

	<u>2024</u>	<u>2023</u>
Government remittances payable included in accounts payable	<u>\$ 5,441</u>	<u>\$ 10,234</u>