

	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Projected - Unaudited	2024 Forecast	2025 Forecast	2026 Forecast
Operating Revenue	\$16,409	\$11,454	\$11,382	\$27,089	\$22,226	\$16,195	\$15,850	\$16,250	\$16,750
Donations & Fundraising	\$61,816	\$42,728	\$14,132	\$61,725	\$82,730	\$12,733	\$15,000	\$27,000	\$20,000
Municipal Funding	\$79,500	\$77,900	\$81,675	\$82,830	\$84,600	\$88,597	\$85,900	\$87,600	\$89,400
Grant Revenue	\$22,091	\$24,640	\$24,631	\$61,755	\$31,877	\$35,036	\$28,042	\$25,242	\$25,242
COVID-19 Funding	\$0	\$0	\$15,556	\$38,804	\$44,935	\$0	\$0	\$0	\$0
Total Revenue	\$179,816	\$156,722	\$147,376	\$272,203	\$266,368	\$152,561	\$144,792	\$156,092	\$151,392
Operating Expenses	\$147,886	\$128,029	\$96,716	\$126,129	\$207,000	\$200,748	\$185,225	\$145,900	\$149,800
Fundraising Expenses	\$25,091	\$16,944	\$2,982	\$29,625	\$32,665	\$6,559	\$7,000	\$5,000	\$5,000
Restoration Costs	\$0	\$0	\$3,653	\$43,183	\$58,794	\$5,000	\$0	\$0	\$0
Total Expenses	\$172,977	\$144,973	\$103,351	\$198,937	\$298,459	\$212,307	\$192,225	\$150,900	\$154,800
Operating Surplus/Deficit	\$6,839	\$11,749	\$44,025	\$73,266	-\$32,091	-\$59,746	-\$47,433	\$5,192	-\$3,408
Transfer in/out from Reserves	\$0	+\$11,749 (in)	+\$21,995 (in)	-\$38,836 (out)	-\$44,692 (out)	\$0	\$0	\$0	\$0

AURORA HISTORICAL SOCIETY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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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, 2022, 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, 2022, 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, 2022 and 2021, current assets as at December 31, 2022 and 2021 and net assets as at January 1 and December 31 for both 2022 and 2021. Our audit opinion on the financial statements for the year ended December 31, 2022 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.

Emphasis of Matter – Amended Financial Statements

We draw attention to Note 10 to the financial statements, which describes that the financial statements that we originally reported on June 12, 2023 have been amended and describes the matter that gave rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter.

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 12, 2023, except as to Note 10, which is as at September 15, 2023

**AURORA HISTORICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
ASSETS		
Current		
Cash	\$ 182,983	\$ 223,336
Short-term investments (Note 3)	63,640	63,640
Accounts receivable and accrued interest	9,983	27,745
Prepaid expenses	<u>9,819</u>	<u>8,175</u>
	266,425	322,896
FIXED (Note 4)	<u>8,460</u>	<u>10,806</u>
	<u><u>\$ 274,885</u></u>	<u><u>\$ 333,702</u></u>
LIABILITIES		
Current		
Accounts payable and accrued expenses (Note 9, 10)	\$ 42,938	\$ 9,255
Deferred revenue (Note 8)	<u>5,001</u>	<u>5,410</u>
	47,939	14,665
LONG-TERM DEBT (Note 6)	<u>-</u>	<u>60,000</u>
	<u>47,939</u>	<u>74,665</u>
NET ASSETS (Note 7)		
Invested in capital assets	8,460	10,806
Unrestricted	212,105	197,158
Restricted - Medical History Course (unchanged)	2,747	2,747
Restricted - Building and Grounds Fund	<u>3,634</u>	<u>48,326</u>
	<u>226,946</u>	<u>259,037</u>
	<u><u>\$ 274,885</u></u>	<u><u>\$ 333,702</u></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, 2022**

	<u>2022</u>	<u>2021</u>
REVENUES		
Grants	\$ 161,412	\$ 183,389
Sales and other income	10,805	17,080
Donations and fundraising	31,499	9,478
Special events	16,259	20,989
Investment	-	550
Hillary House ball	44,803	38,107
Membership	<u>1,590</u>	<u>2,610</u>
	<u>266,368</u>	<u>272,203</u>
EXPENDITURES		
Depreciation	2,346	1,887
Wages and benefits (Note 6)	112,444	66,956
Fundraising	1,130	732
Insurance	10,583	10,282
Professional fees (Note 10)	35,421	5,317
Office and miscellaneous	11,590	11,725
Repairs and maintenance	16,122	14,789
Readman project expenses	2,003	1,953
Restoration	14,102	4,347
Restoration - building and grounds fund	44,692	38,836
Hillary House ball expenses	26,006	23,729
Special event expenses	9,221	8,553
Program	983	250
Utilities	6,203	5,209
Curatorial and collection	<u>5,613</u>	<u>4,372</u>
	<u>298,459</u>	<u>198,937</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	(32,091)	73,266
NET ASSETS, beginning of year	<u>259,037</u>	<u>185,771</u>
NET ASSETS, end of year	<u>\$ 226,946</u>	<u>\$ 259,037</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, 2022**

	<u>2022</u>	<u>2021</u>
SOURCES (USES) OF CASH:		
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures for the year	\$ (32,091)	\$ 73,266
Items not involving cash		
Depreciation	2,346	1,887
Forgiveness of debt	<u>(20,000)</u>	<u>-</u>
	(49,745)	75,153
Changes in non-cash working capital items		
Short-term investments	-	(1,073)
Accounts receivable and accrued interest	17,762	(18,221)
Prepaid expenses	(1,644)	(990)
Accounts payable and accrued expenses	33,683	197
Deferred revenue	<u>(409)</u>	<u>1,352</u>
	<u>(353)</u>	<u>56,418</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(8,020)
Repayment of long-term debt	<u>(40,000)</u>	<u>-</u>
	<u>(40,000)</u>	<u>(8,020)</u>
NET (DECREASE) INCREASE IN CASH	(40,353)	48,398
CASH, beginning of year	<u>223,336</u>	<u>174,938</u>
CASH, end of year	<u><u>\$ 182,983</u></u>	<u><u>\$ 223,336</u></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, 2022**

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

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 revenues.

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, 2022**

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.

Fund accounting

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.

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. SHORT-TERM INVESTMENTS

Short-term investments are comprised of cashable GIC's of \$63,663 (2021 - \$62,772), maturing August 4, 2023 (2021 - August 9, 2022). The interest rate is prime minus 4.70% (2021 - 2.24%).

**AURORA HISTORICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

4. FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment			
Balance, beginning of year	\$ 27,441	18,487	8,954
Depreciation		<u>1,791</u>	<u>1,791</u>
	<u>\$ 27,441</u>	<u>20,278</u>	<u>7,163</u>
Computer equipment			
Balance, beginning of year	\$ 11,268	9,418	1,850
Depreciation		<u>555</u>	<u>555</u>
	<u>\$ 11,268</u>	<u>9,973</u>	<u>1,295</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>\$ 30,251</u>	<u>\$ 8,460</u>

5. 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.

6. GOVERNMENT ASSISTANCE

The organization has received assistance through the Canada Emergency Business Account (CEBA) program. They received a \$60,000 interest free loan, which \$40,000 was repaid during the year. This resulted in \$20,000 of loan being forgiven. The amount forgiven is included in grant income for the year.

The organization also received assistance through the Canada Emergency Wage Subsidy (CEWS) program. They received \$NIL (2021 - \$14,387) which reduced wages and benefits by this amount.

**AURORA HISTORICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

7. CHANGE IN FUND BALANCES

	<u>Operating</u>	<u>Capital Assets</u>	<u>Restricted</u>	<u>2022</u>	<u>2021</u>
Net assets - beginning of the year	\$ 197,158	\$ 10,806	\$ 51,073	\$ 259,037	\$ 185,771
(Deficiency) excess of revenue over expenditures	<u>14,947</u>	<u>(2,346)</u>	<u>(44,692)</u>	<u>(32,091)</u>	<u>73,266</u>
	<u>\$ 212,105</u>	<u>\$ 8,460</u>	<u>\$ 6,381</u>	<u>\$ 226,946</u>	<u>\$ 259,037</u>

Each year the board reviews the surplus and determines if a transfer to the restricted funds is necessary. During the year, \$44,692 (2021 - \$38,836) was approved by the board to use restricted building and grounds funds surplus for restorations.

8. DEFERRED REVENUE

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

	<u>2022</u>	<u>2021</u>
Deferred contributions - beginning of year	\$ 5,410	\$ 4,058
Contribution received	16,242	17,823
Program expenses recognized	(16,248)	(16,234)
Amortization expense recognized	<u>(403)</u>	<u>(237)</u>
Deferred contributions - end of year	<u>\$ 5,001</u>	<u>\$ 5,410</u>

9. GOVERNMENT REMITTANCES

	<u>2022</u>	<u>2021</u>
Government remittances payable included in accounts payable	<u>\$ 7,602</u>	<u>\$ 4,351</u>

10. FINANCIAL STATEMENT ADJUSTMENT

On September 14, 2023, the organization identified that a legal invoice had been accrued twice in the December 31, 2022 financial statements. The financial statements have been reissued reducing legal expense and accrued liabilities by the amount of the invoice, \$13,203.