

Financial Statements of

**AURORA BUSINESS
IMPROVEMENT ASSOCIATION**

And Independent Auditor's Report thereon

Year ended December 31, 2023

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Aurora Business Improvement Association

Opinion

We have audited the financial statements of the Aurora Business Improvement Association (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial 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, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 public sector accounting standards, 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.



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- 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 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 and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

February 29, 2024

AURORA BUSINESS IMPROVEMENT ASSOCIATION

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Financial Assets		
Cash	\$ 26,064	\$ 51,110
Financial Liabilities		
Accounts payable and accrued liabilities	5,000	4,535
Net financial assets	21,064	46,575
Non-Financial Assets		
Prepaid expenses	5,152	2,763
Accumulated surplus	\$ 26,216	\$ 49,338

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

AURORA BUSINESS IMPROVEMENT ASSOCIATION

Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 2)	2023 Actual	2022 Actual
Revenue:			
Contribution from the town of Aurora	\$ 18,825	\$ 18,825	\$ 62,270
Expenses:			
BIA coordinator fee (note 3)	35,000	20,409	5,513
Events	9,100	26	9,936
Website maintenance	7,800	11,326	10,980
Professional fees	4,500	5,000	4,535
Insurance	3,800	4,209	3,722
Materials and supplies	2,200	791	112
Advertising	2,000	—	4,040
Memberships	1,000	186	457
	65,400	41,947	39,295
Annual surplus (deficit)	<u>\$ (46,575)</u>	(23,122)	22,975
Accumulated surplus, beginning of year		49,338	26,363
Accumulated surplus, end of year		\$ 26,216	\$ 49,338

See accompanying notes to financial statements.

AURORA BUSINESS IMPROVEMENT ASSOCIATION

Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Annual surplus (deficit)	\$ (23,122)	\$ 22,975
Change in prepaid expenses	(2,389)	5,158
Change in net financial assets	(25,511)	28,133
Net financial assets, beginning of year	46,575	18,442
Net financial assets, end of year	\$ 21,064	\$ 46,575

See accompanying notes to financial statements.

AURORA BUSINESS IMPROVEMENT ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (23,122)	\$ 22,975
Change in non-cash operating working capital:		
Accounts payable and accrued liabilities	465	1,511
Prepaid expenses	(2,389)	5,158
Increase (decrease) in cash	(25,046)	29,644
Cash, beginning of year	51,110	21,466
Cash, end of year	\$ 26,064	\$ 51,110

See accompanying notes to financial statements.

AURORA BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2023

On September 18, 2018, the Council of The Corporation of the Town of Aurora passed a by-law pursuant to the Municipal Act to designate an area as an improvement area to be known as the Aurora Business Improvement Association (the "Association"). The Association is committed to improving and promoting the Aurora Historical Business District through investment and advocacy to build and maintain its position as Aurora's premier shopping, business and entertainment destination.

1. Significant accounting policies:

The financial statements of the Association are prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Management responsibility:

The financial statements of the Association are the representations of management.

(b) Basis of accounting:

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Non-financial assets:

Non-financial assets include prepaid expenses. They are not available to discharge existing liabilities and are held for use in the provision of services.

2. Budget figures:

The budget figures included in the financial statements were approved by the Council of The Corporation of the Town of Aurora on April 25, 2023.

AURORA BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. BIA coordinator fee:

In the prior year, the Association engaged a single firm to carry out key functions of the Association, including, but not limited to: event promotion, advertising, social media coordination, and Association advocacy activities. As a result, expenses that would previously have been incurred directly by the Association, and reported via multiple expense captions, are included within the BIA coordinator fee expense caption.

4. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.