

**The Corporation of Norfolk County
Delhi Business Improvement Area**

Financial Statements

December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of The Corporation of Norfolk County Delhi Business Improvement Area

Qualified Opinion

We have audited the financial statements of The Corporation of Norfolk County Delhi Business Improvement Area (the Organization), which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net financial assets, operations and cash flow 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 Organization as at December 31, 2024, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and sundry, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets, and net assets. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express an opinion regarding the budget figures.

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 relating to going concern and using the

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Independent Auditor's Report to the Members of The Corporation of Norfolk County Delhi Business Improvement Area (*continued*)

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.

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 judgement 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.

Millard, Rouse & Rosebrugh LLP

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants
Licensed Public Accountants

March 4, 2026
Simcoe, Ontario

**THE CORPORATION OF NORFOLK COUNTY DELHI BUSINESS
IMPROVEMENT AREA**

Statement of Financial Position

As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 21,086	\$ 61,838
Accounts receivable - Norfolk County	13,675	-
Due from Norfolk County - Reserve Fund (Note 3)	60,060	60,060
	\$ 94,821	\$ 121,898
LIABILITIES		
Accounts payable	\$ 6,463	\$ 6,680
ACCUMULATED SURPLUS AND NET FINANCIAL ASSETS		
Operating Fund	28,298	55,158
Reserve Fund (Note 3)	60,060	60,060
	88,358	115,218
	\$ 94,821	\$ 121,898

See accompanying notes to financial statements

**THE CORPORATION OF NORFOLK COUNTY DELHI BUSINESS
IMPROVEMENT AREA**

Statement of Changes in Net Financial Assets

Year ended December 31, 2024

	Operating Fund	Reserve Fund	2024	2023
Accumulated surplus and net financial assets - beginning of year	\$ 55,158	\$ 60,060	\$ 115,218	\$ 100,713
Annual surplus (deficit)	(26,860)	-	(26,860)	14,505
ACCUMULATED SURPLUS AND NET FINANCIAL ASSETS - END OF YEAR	\$ 28,298	\$ 60,060	\$ 88,358	\$ 115,218

See accompanying notes to financial statements

**THE CORPORATION OF NORFOLK COUNTY DELHI BUSINESS
IMPROVEMENT AREA**

**Statement of Operations
Year ended December 31, 2024**

	Budget 2024	2024	2023
REVENUE			
Tax levy - Norfolk County	\$ 27,350	\$ 26,546	\$ 27,098
Donations and sundry	-	6,383	6,495
Reserve fund income <i>(Note 3)</i>	-	-	2,721
	27,350	32,929	36,314
Expenses			
Administration	3,240	4,755	4,469
Maintenance and beautification	14,110	44,751	9,662
Promotions	10,000	10,283	7,678
	27,350	59,789	21,809
ANNUAL SURPLUS	\$ -	\$ (26,860)	\$ 14,505

**THE CORPORATION OF NORFOLK COUNTY DELHI BUSINESS
IMPROVEMENT AREA**

**Statement of Cash Flow
Year ended December 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (26,860)	\$ 14,505
Changes in non-cash working capital:		
Accounts receivable and due from Norfolk County	(13,675)	9,279
Accounts payable	(217)	(9,645)
	(13,892)	(366)
INCREASE (DECREASE) IN CASH	(40,752)	14,139
Cash - beginning of year	61,838	47,699
CASH - END OF YEAR	\$ 21,086	\$ 61,838

See accompanying notes to financial statements

THE CORPORATION OF NORFOLK COUNTY DELHI BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2024

1. NATURE OF OPERATIONS

The Delhi Business Improvement Area (the Organization) is a local board of Norfolk County, created under terms of the Municipal Act to oversee the improvement, beautification, and maintenance of municipally-owned land, buildings, and structures in the designated area beyond that provided at the expense of the municipality generally and to promote the area as a business and shopping area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Delhi Business Improvement Area are the representation of management prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis of presentation

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.

Tangible capital assets

Tangible capital assets are not significant and consist of office and computer equipment. The historical cost and accumulated amortization for tangible capital assets are not recorded as of December 31, 2024. Tangible capital assets are reported as expenses on the Statement of Operations in the year of acquisition. Due to their nature, maintenance, beautification, and promotion expenses are not considered to be tangible capital assets of the Organization.

Revenue recognition

The Organization recognizes revenues when they are earned, specifically when all the following conditions are met:

- Tax levy is recognized as earned when it is determined and approved to be paid by the council of the Corporation of Norfolk County;
- Restricted grant revenue is recognized as revenue in the year in which the related expenses are incurred. Unrestricted grant revenue is recognized in the year in which the grant is received or receivable when collection is ultimately assured.
- Donation and sundry income is earned when it is received.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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THE CORPORATION OF NORFOLK COUNTY DELHI BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Key components of the financial statements requiring management to make estimates include accrued expenses.

3. RESERVE FUND

The Corporation of Norfolk County has established and maintains custody of a reserve fund for improvements to the Delhi downtown. The reserve fund is recorded on the Statement of Financial Position. Activity in this reserve fund is recorded on the Statement of Operations. A continuity of the reserve fund is as follows:

	2024	2023
Balance - beginning of year	\$ 60,060	\$ 57,339
Reserve fund income - interest earned	-	2,721
Balance - end of year	\$ 60,060	\$ 60,060

4. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from its accounts receivable balance relating to funders and donors.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments. These risks have not changed from the prior year.