

Financial Statements

The Glebe Business Improvement Area

December 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Management and Members of The Glebe Business Improvement Area

Opinion

We have audited the financial statements of The Glebe Business Improvement Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations 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, 2024, and its results of operations, its changes in net financial assets 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

November 18, 2025

THE GLEBE BUSINESS IMPROVEMENT AREA

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024, with comparative information for 2023

Financial assets	2024	2023
Cash on deposit with the Corporation of the City of Ottawa	\$556,314	\$424,487
Accounts receivable	3,897	5,220
Total financial assets	560,211	429,707
Liabilities		
Accounts payable and accrued liabilities <i>[note 2]</i>	61,146	62,319
Total liabilities	61,146	62,319
Net financial assets	499,065	367,388
Non-financial assets		
Prepaid expenses	2,463	5,856
Tangible capital assets <i>[note 4]</i>	101,125	104,368
Total non-financial assets	103,588	110,224
Accumulated surplus	\$602,653	\$477,612

See accompanying notes

THE GLEBE BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS

For the year ended December 31, 2024, with comparative information for 2023

Revenue	Budget 2024 [note 5]	Actual 2024	Actual 2023
Tax revenue [note 3]	\$649,500	\$730,866	\$674,171
Other revenue [note 2]	42,600	48,580	37,301
Payments in lieu of taxation	15,000	12,544	11,924
Subtotal	707,100	791,990	723,396
CEWS Repayment [note 6]	–	–	(17,640)
Total revenue	707,100	791,990	705,756
Expenses			
Salaries	246,000	237,439	214,438
Advertising and promotion [note 2]	170,500	128,672	181,312
Maintenance [note 2]	137,300	126,800	81,552
Professional and consulting	47,000	60,726	24,206
Office [note 2]	60,800	54,692	54,212
Rent	35,000	36,133	29,080
Depreciation	–	9,771	7,959
Insurance	7,500	6,598	6,566
Audit fees	3,000	6,118	5,607
Total expenses	707,100	666,949	604,932
Annual surplus	–	125,041	100,824
Accumulated surplus, beginning of year	477,612	477,612	376,788
Accumulated surplus, end of year	\$477,612	\$602,653	\$477,612

See accompanying notes

THE GLEBE BUSINESS IMPROVEMENT AREA

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31, 2024, with comparative information for 2023

	Actual 2024	Actual 2023
Annual surplus	\$125,041	\$100,824
Acquisition of tangible capital assets	(6,528)	–
Depreciation of capital assets	9,771	7,959
Decrease in prepaid expenses	3,393	4,213
Increase in net financial assets	131,677	112,996
Net financial assets, beginning of year	367,388	254,392
Net financial assets, end of year	\$499,065	\$367,388

See accompanying notes

THE GLEBE BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024, with comparative information for 2023

Operating transactions	2024	2023
Annual surplus	\$125,041	\$100,824
Add item not affecting cash		
Depreciation	9,771	7,959
Changes in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	1,323	(5,220)
Decrease in prepaid expenses	3,393	4,213
(Decrease) increase in accounts payable and accrued liabilities	(1,173)	26,564
Cash provided by operating transactions	138,355	134,340
Capital transactions		
Acquisition of tangible capital assets	(6,528)	–
Cash used in capital transactions	(6,528)	–
Change in cash and cash equivalents		
Net increase in cash and cash equivalents during the year	131,827	134,340
Cash and cash equivalents, beginning of year	424,487	290,147
Cash and cash equivalents, end of year	\$556,314	\$424,487
Cash and cash equivalents consist of		
Cash on deposit with the Corporation of the City of Ottawa	556,314	424,487
	\$556,314	\$424,487

See accompanying notes

THE GLEBE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of The Glebe Business Improvement Area [the “BIA”] are the responsibility of management prepared in accordance with Canadian public sector accounting standards.

Use of estimates

Since a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. Where and when required, estimates are used in areas such as the useful life of tangible capital assets, depreciation, and other revenues.

These estimates and assumptions are based on the BIA’s best information and judgement and actual amounts may differ significantly from these estimates.

Accrual accounting

Revenue and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenue as it becomes earned and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services. The BIA has an annual event named The Glebe Spree. The revenue received from this event is included under Other Revenue, and related expenses, depending on their nature, are included in the various expense categories. The revenue and expenses from this annual event are recognized in the fiscal year in which the draw takes place.

Government transfers are recognized in revenue in the fiscal years during which events giving rise to the transfer occur, provided the transfers are authorized, eligibility criteria and stipulations have been met and reasonable estimates of the amounts can be made.

THE GLEBE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible capital assets

Tangible capital assets are initially recorded at cost and depreciated over their estimated useful lives using the straight-line method. Capital expenditures that do not generate future economic benefits to the BIA are charged to operations in the year of acquisition.

The equipment, less residual value, is depreciated over ten years on a straight-line basis. The signage, less residual value, is depreciated over twenty-five years on a straight-line bases. When a new tangible asset is acquired, depreciation is recorded when the asset is put into use.

Financial instruments

The financial instruments of the BIA consist of cash, cash on deposit with the Corporation of the City of Ottawa, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the BIA is not exposed to significant interest rate, currency, other pricing, market, liquidity or credit risks arising from these financial instruments.

Tax revenue

Annually, the City of Ottawa bills and collects tax levies as well as payments in lieu of tax on behalf of the BIA. Tax revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years.

2. RELATED PARTY TRANSACTIONS

The BIA purchases certain services from companies controlled by the City of Ottawa, as well as from members of the BIA's Board of Directors and company executives, in the normal course of business at the exchange amount, which is the amount agreed to by both parties. In 2024, the BIA incurred expenses of \$4,501 [2023 - \$3,091], which it paid to related parties in return for goods and services.

THE GLEBE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. RELATED PARTY TRANSACTIONS (CONTINUED)

In addition, the BIA is related to all entities under control of the City of Ottawa. During the year ended December 31, 2024, the BIA incurred expenses with the City of Ottawa of \$2,363 [2023 - \$2,499] and recognized grant revenue from the City of Ottawa of \$39,768 [2023 - \$24,651] within other revenue on the Statement of Operations.

As at December 31, 2024, \$2,378 [2023 - nil] is included in accounts payable and accrued liabilities that is due to related parties.

3. TAX REVENUE

Tax revenue comprises the following:

	2024	2023
	\$	\$
General tax levy	711,956	678,077
Supplementary assessments	18,934	–
Remissions	(24)	(3,906)
	<u>730,866</u>	<u>674,171</u>

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets comprise the following:

	2024	2023
	\$	\$
Signage	104,250	104,250
Equipment	44,414	37,886
Accumulated depreciation	(47,539)	(37,768)
Net book value	<u>101,125</u>	<u>104,368</u>

5. BUDGET AMOUNTS

Budget data presented in these financial statements is based upon the 2024 budget approved by the Board of Directors. The Board-approved budget is prepared on a basis that may differ from budget amounts reported on the statements of operations and changes in net financial assets, which are prepared in accordance with Canadian public sector accounting standards.

THE GLEBE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. CEWS REPAYMENT

In the years ended December 31, 2020 and December 31, 2021, the BIA applied for the Canada Emergency Wage Subsidy (CEWS) and was approved and received a total of \$17,640 in CEWS funding, which was recorded as other revenue in the year received.

In 2023, the Canada Revenue Agency (CRA) assessed that Business Improvement Areas are non-qualifying entities as per ITA 125.7 and as such, were not eligible to receive CEWS funding. As a result, the BIA recorded a CEWS repayment and an account payable of \$17,640 for the CEWS funding received in prior years. This amount was paid in 2024.