

Financial Statements

The Manotick Business Improvement Area

December 31, 2024



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The Manotick 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.



Page 3

- 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, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side towards the right.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

November 6, 2025

THE MANOTICK BUSINESS IMPROVEMENT AREA

STATEMENT OF FINANCIAL POSITION

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

Financial assets	2024	2023
Cash and cash equivalents	\$300	\$1,000
Cash on deposit with the Corporation of the City of Ottawa	21,025	84,926
Total financial assets	21,325	85,926
Liabilities		
Accounts payable and accrued liabilities <i>[note 2]</i>	50,282	57,095
Total liabilities	50,282	57,095
Net financial assets (liabilities)	(28,957)	28,831
Non-financial assets		
Tangible capital assets <i>[note 4]</i>	64,425	36,286
Prepaid expenses	68	2,509
Total non-financial assets	64,493	38,795
Accumulated surplus	\$35,536	\$67,626

See accompanying notes

THE MANOTICK BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS

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

Revenue	Budget 2024	Actual 2024	Actual 2023
Tax revenue <i>[note 3]</i>	\$252,780	\$266,142	\$248,737
Other revenue <i>[note 2]</i>	8,734	1,936	5,650
Payments in lieu of taxation	10,000	8,521	8,734
Total revenue	271,514	276,599	263,121
Expenses			
Advertising and promotion <i>[note 2]</i>	177,000	145,185	129,506
Salaries	75,477	95,439	53,907
Maintenance	19,600	25,564	24,539
Professional and consulting fees	31,500	14,033	7,777
Office and administration <i>[note 2]</i>	13,150	7,994	5,764
Depreciation	–	6,098	6,746
Audit fees	5,150	5,334	8,572
Rent	7,000	5,000	1,500
Insurance	2,500	4,042	2,954
Total expenses	331,377	308,689	241,265
Annual surplus (deficit)	(59,863)	(32,090)	21,856
Accumulated surplus, beginning of year	67,626	67,626	45,770
Accumulated surplus, end of year	\$7,763	\$35,536	\$67,626

See accompanying notes

THE MANOTICK 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 (deficit)	(\$32,090)	\$21,856
Acquisition of tangible capital assets	(39,653)	–
Depreciation of tangible capital assets	6,098	6,746
Tangible capital asset write-down	5,416	–
Decrease in prepaid expenses	2,441	1,156
Increase in net financial assets	(57,788)	29,758
Net financial assets (liabilities), beginning of year	28,831	(927)
Net financial assets (liabilities), end of year	(\$28,957)	\$28,831

See accompanying notes

THE MANOTICK 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 (deficit)	(\$32,090)	\$21,856
Add item not affecting cash		
Depreciation of tangible capital assets	6,098	6,746
Tangible capital asset write-down	5,416	–
Changes in non-cash working capital balances related to operations		
Decrease in prepaid expenses	2,441	1,156
Increase (decrease) in accounts payable and accrued liabilities	(6,813)	36,270
Cash provided by operating transactions	(24,948)	66,028
Capital transactions		
Acquisition of tangible capital assets	(39,653)	–
Cash and cash equivalents, end of year	(39,653)	–
Change in cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents during the year	(64,601)	66,028
Cash and cash equivalents, beginning of year	85,926	19,898
Cash and cash equivalents, end of year	\$21,325	\$85,926
Cash and cash equivalents consist of		
Cash and cash equivalents	\$300	\$1,000
Cash on deposit with the Corporation of the City of Ottawa	21,025	84,926
	\$21,325	\$85,926

See accompanying notes

THE MANOTICK 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 Manotick 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.

Government transfers are recognized in revenue in the fiscal years during which the 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.

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 benefit to the BIA are charged to operations in the year of acquisition.

THE MANOTICK BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible capital assets (continued)

The equipment, less residual value, is depreciated on a straight-line basis over its estimated useful life, which ranges from five to twenty years. 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 and cash equivalents, accounts payable and accrued liabilities and cash on deposit with the Corporation of the City of Ottawa. Unless otherwise noted, it is management's opinion that the BIA is not exposed to significant interest rate, currency, market, other pricing, 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 taxes 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 agreed-upon exchange amount.

During the year, the BIA incurred expenses of \$1,050 [2023 – \$602], which were paid to related parties in return for goods and services.

Additionally, during the year, the BIA recognized grant revenue from the City of Ottawa totaling \$1,936 [2023 – \$5,650], reported within other revenue on the Statement of Operations.

THE MANOTICK BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

3. TAX REVENUE

Tax revenue comprises the following:

	2024	2023
	\$	\$
General tax levy	<u>247,710</u>	243,764
Supplementary assessment	18,118	5,283
Remissions	314	(310)
Tax revenue	<u>266,142</u>	<u>248,737</u>

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets comprise the following:

	2024	2023
	\$	\$
Equipment	<u>94,069</u>	62,246
Accumulated depreciation	<u>(29,644)</u>	(25,960)
Net book value	<u>64,425</u>	<u>36,286</u>