

Financial Statements

The Westboro Village Business Improvement Area

December 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Management and Members of The Westboro Village Business Improvement Area

Opinion

We have audited the financial statements of The Westboro Village 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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

October 22, 2025

THE WESTBORO VILLAGE 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	\$394,726	\$382,354
Total financial assets	394,726	382,354
Liabilities		
Accounts payable and accrued liabilities <i>[note 2]</i>	11,827	35,169
Deferred revenue	–	5,000
Total liabilities	11,827	40,169
Net financial assets	382,899	342,185
Non-financial assets		
Prepaid expenses	7,435	2,423
Total non-financial assets	7,435	2,423
Accumulated surplus	\$390,334	\$344,608

See accompanying notes

THE WESTBORO VILLAGE BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS

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

Revenue	Budget 2024 [note 4]	Actual 2024	Actual 2023
Tax revenue [note 3]	\$440,503	\$473,792	\$456,400
Other revenue	13,500	34,865	22,796
Subtotal	454,003	508,657	479,196
CEWS Repayment [note 5]	–	–	(23,189)
Total revenue	454,003	508,657	456,007
Expenses			
Salaries	183,505	172,141	159,183
Advertising and promotion [note 2]	180,800	146,449	108,820
Maintenance	69,300	59,827	56,910
Professional services	49,000	37,923	14,186
Office [note 2]	32,210	23,159	24,716
Rent	16,388	13,892	13,596
Audit fees	5,500	5,337	4,998
Insurance	4,500	4,164	4,163
Other	4,000	39	168
Total expenses	545,203	462,931	386,740
Annual surplus (deficit)	(91,200)	45,726	69,267
Accumulated surplus, beginning of year	344,608	344,608	275,341
Accumulated surplus, end of year	\$253,408	\$390,334	\$344,608

See accompanying notes

THE WESTBORO VILLAGE 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	\$45,726	\$69,267
Decrease (increase) in prepaid expenses	(5,012)	1,538
Increase in net financial assets	40,714	70,805
Net financial assets, beginning of year	342,185	271,380
Net financial assets, end of year	\$382,899	\$342,185

See accompanying notes

THE WESTBORO VILLAGE 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	\$45,726	\$69,267
Changes in non-cash working capital balances related to operations		
Decrease in accounts receivable	-	9
Decrease (increase) in prepaid expenses	(5,012)	1,538
Increase (decrease) in accounts payable and accrued liabilities	(23,342)	27,492
Increase (decrease) in deferred revenue	(5,000)	5,000
Cash provided by operating transactions	12,372	103,306
Change in cash and cash equivalents		
Net increase in cash and cash equivalents during the year	12,372	103,306
Cash and cash equivalents, beginning of the year	382,354	279,048
Cash and cash equivalents, end of the year	\$394,726	\$382,354
Cash and cash equivalents consist of		
Cash on deposit with the Corporation of the City of Ottawa	394,726	382,354
	\$394,726	\$382,354

See accompanying notes

THE WESTBORO VILLAGE 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 Westboro Village 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 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.

Financial instruments

The financial instruments of the BIA consist of cash on deposit with the Corporation of the City of Ottawa, accounts receivable, accounts payable and accrued liabilities, cash and cash equivalents. 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.

THE WESTBORO VILLAGE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax revenue

Annually, the City of Ottawa bills and collects tax levies as well as payments in lieu of taxation 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 \$1,380 [2023 - \$1,642], which it paid to related parties in return for goods and services.

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 recognized grant revenue from the City of Ottawa of \$16,808 [2023 - \$15,889] within other revenue on the Statement of Operations; and incurred expenses with the City of \$624 [2023 – \$410]. As at December 31, 2024, \$279 [2023 – \$36] 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	479,258	455,969
Supplementary assessments	(5,739)	–
Remissions	273	431
	473,792	456,400

THE WESTBORO VILLAGE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

4. 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 differs 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 total approved revenue budget of \$545,203 reconciles to the budget figures reported in these financial statements after deducting the budgeted contribution from reserves of \$91,200, which is not included in revenue for purposes of the financial statement presentation.

5. 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 \$23,189 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 \$23,189 for the CEWS funding received in prior years. This amount was paid in 2024.