

**DIGITAL MAINSTREET NON-PROFIT INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2025**

DIGITAL MAINSTREET NON-PROFIT INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

CONTENTS

Management Report	3
Independent Auditor's Report	4 - 5
Statement of Financial Position	6
Statement of Operations and Accumulated Surplus	7
Statement of Cash Flows	8
Notes to Financial Statements	9 – 10
Schedule 1	11

Management’s responsibility for the financial statements

The financial statements of the Digital Mainstreet Non-Profit Inc. are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared in compliance with the Canadian accounting standards for the not-for-profit organizations of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board reviews the Digital Mainstreet Non-Profit Inc’s financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Rafiq Dosani, CPA, independent external auditor appointed by members of Digital Mainstreet Non-Profit Inc, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor’s Report outlines his responsibilities, the scope of his examination and his opinion on the Digital Mainstreet Non-Profit Inc’s financial statements.

Signed by:

_____ President

_____ Treasurer

RAFIQ DOSANI, B.Comm. CPA
CHARTERED PROFESSIONAL ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
DIGITAL MAINSTREET NON-PROFIT INC.

Opinion

I have audited the accompanying financial statements of the DIGITAL MAINSTREET NON-PROFIT INC., which comprise the statement of financial position as at December 31, 2025 and the statement of operations and accumulated surplus and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of DIGITAL MAINSTREET NON-PROFIT INC. as at December 31, 2025 in accordance with Canadian Accounting Standards for Not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my all-other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 Company'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Association'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 Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Association A 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.

I 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 I identify during my audit.

Toronto, Canada
April 21, 2026

Chartered Professional Accountant
Licensed Public Accountant

**DIGITAL MAINSTREET NON-PROFIT INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025**

	2025	2024
	\$	\$
Financial Assets		
Current		
Cash	10,005	9,993
Receivable from TABIA (Note 3)	<u>5,694,580</u>	<u>-</u>
	5,704,585	9,993
Intangible		
Incorporation cost (net of amortization)	<u>583</u>	<u>648</u>
	<u>5,705,168</u>	<u>10,641</u>
Liabilities		
Accounts payable and accrued charges	583	800
Payable to TABIA (Note 4)	<u>-</u>	<u>12,193</u>
	583	12,993
Surplus (Deficit)		
	<u>5,704,585</u>	<u>(2,352)</u>
	<u>5,705,168</u>	<u>10,641</u>

Approved on behalf of the Board:

President

Treasurer

DIGITAL MAINSTREET NON-PROFIT INC.
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED
TO DECEMBER 31, 2025

	2025	2024
	\$	\$
Revenue		(Note 6)
Revenue		
DMS (Schedule 1)	3,178,180	8,592,836
DMS - Alberta (Schedule 1)	<u>168,932</u>	<u>768,530</u>
	<u>3,347,112</u>	<u>9,361,366</u>
Expenses		
DMS (Schedule 1)	3,923,859	8,506,709
DMS - Alberta (Schedule 1)	27,187	254,744
Professional Fee	-	840
Bank Charges	-	30
Amortization - Incorporation Cost	<u>65</u>	<u>72</u>
	<u>3,951,111</u>	<u>8,762,395</u>
Excess of expenses over revenue for the year	(603,999)	<u>598,971</u>
Accumulated surplus, beginning of the year	<u>6,308,584</u>	<u>5,709,613</u>
Accumulated surplus, end of year	<u>5,704,585</u>	<u>6,308,584</u>

**DIGITAL MAINSTREET NON-PROFIT INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	2025	2024
	\$	\$
Cash flows from operating activities		
Net earnings (deficit) for the year	603,999	(29,668)
Expenses nor requiring a cash outlay		
Non-cash changes to operations		
Amortization	65	72
Prior years accumulated surplus from TABIA (Note 5)	6,310,714	28,726
Increase (decrease) resulting from changes in		
Receivable from TABIA	(5,694,580)	-
Accounts payable and accrued charges	(217)	200
Payable to TABIA	(12,193)	670
	12	-
Cash provided by (used in) operations		
Financing activities		
		-
Cash, Beginning of year	9,993	9,993
Cash, End of year	10,005	9,993

DIGITAL MAINSTREET NON-PROFIT INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. ESTABLISHMENT AND OPERATIONS

The DIGITAL MAINSTREET NON-PROFIT INC. (Organization) is incorporated on April 4, 2025, without share capital in the Province of Ontario. The Organization is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

The Organization's main objectives are to deliver the grants and programs. Presently these activities are carried out by Toronto Association of Business Improvement Areas (TABIA). TABIA is awaiting approval from federal partner ministry with whom it has been working to file a formal, final petition and minister for full implementation. Once this approval finalized TABIA will transfer all unspent funds and commitments to the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements:

Revenue Recognition

The Organization follows the deferral method of accounting for contributions and grants. Contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

Volunteers contribute significant time every year to assist the Organization in carrying out its governance activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Capital assets

Capital assets are stated at cost. Capital assets are amortized on the diminishing balance basis over the estimated useful lives of the assets using the following annual rates:

Furniture, fixtures and equipment	20%
Computers	30%
Office equipment	20%

Incorporation cost is amortized at the rate of 10% per annum on straight line basis.

DIGITAL MAINSTREET NON-PROFIT INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. The most significant areas requiring the use of management estimates include deterring of fair values of financial instruments, allowance for doubtful accounts, estimated useful life of capital assets and accrued liabilities.

Financial instruments

The Organization's financial instruments are initially measured at fair value. Financial instruments are subsequently measured at amortized cost.

3. RECEIVABLE FROM TABIA

Receivable from TABIA bears interest at the same rate as earned by TABIA on its short-term investments and receivable on demand.

4. PAYABLE TO TABIA

Payable to TABIA is non-interest bearing and payable on demand.

5. TRANSFERS FROM TABIA

The Digital Mainstreet Non-Profit Inc., was incorporated in 2023. The Organization's main objectives are to deliver the grants and programs which were previously delivered by TABIA. TABIA has now obtained approval from federal partners with whom it has been working to transfer this activity to Digital Mainstreet Non-Profit Inc.

6. COMPARATIVE FIGURES

The 2024 activities of the organization were carried out by TABIA and recorded in the TABIA financial statements. In order to present the current year's financial statements with a meaningful comparison the 2024 figures are included in this financial statement.

DIGITAL MAINSTREET NON-PROFIT INC.

SCHEDULE 1

Year Ended Dec 31, 2025

	DMS 2025 Actual	DMS Alberta 2025 Actual	DMS Alberta /DMS 2025 Combined Actual	DMS Alberta/DMS 2024 Combined Actual
Revenue				
Allocation from TABIA	90,870	-	90,870	-
Sponsorship	-	122,253	122,253	304,886
Revenue Generation	202	-	202	121,328
Shop Here Revenue	-	-	-	287,575
Service Squad Grant	-	-	-	250,252
CDAP Revenue	2,922,875	-	2,922,875	8,053,535
Interest Revenue	164,233	46,679	210,912	343,790
Revenue Total	3,178,180	168,932	3,347,112	9,361,366
Expenses	2025 Actual	2025 Actual	2025 Actual	2024 Actual
Ontario - Expansion				
CDAP	2,854,932	-	2,854,932	6,990,649
CDAP BC	124,938	-	124,938	2,999
Insurance	15,069	-	15,069	23,933
Marketing	1,854	-	1,854	27,218
Office Expenses	14,401	200	14,601	18,551
Professional Services	36,274	-	36,274	5,366
DMS - Digital Service Squad	10,563	-	10,563	-
Staffing	865,032	26,987	892,019	1,652,657
Website	796	-	796	30,621
Other Expansion Expenses	-	-	-	9,459
Total Expenses	3,923,859	27,187	3,951,046	8,761,453
Revenue over Expenses	-745,679	141,745	-603,965	599,913
Balance January 1	4,721,452	1,588,074	6,309,526	5,709,613
Balance End of Year	3,975,773	1,729,819	5,705,561	6,309,526