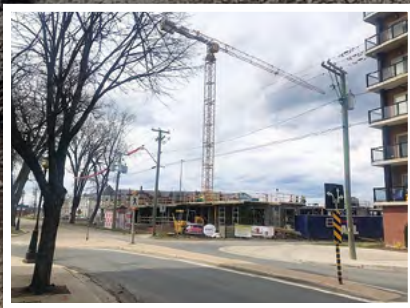




# ANNUAL REPORT 2020









# 2020

# ANNUAL REPORT

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## PRESIDENT'S MESSAGE

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Downtown Fredericton Inc. (DFI) holds, as its number one priority, the promotion of commerce and development within its borders. Completing this task is easier said than done. Add to that a global pandemic and you've got a recipe that, when mixed and baked, doesn't go down particularly well. Tools and strategies that worked in the very recent past are suddenly no longer applicable, effective, or in some cases, legal. During the previous year, DFI has re-imagined how we do the things we do, just as businesses everywhere have had to reinvent what they do and how they do it. I am happy to report that DFI has met this challenge with success.

During this time, Downtown Fredericton Inc. has been busier than ever. When navigating a year that COVID turned upside down, DFI needed to ensure the safety of our in-house staff, board members, and our Downtown businesses. To that end, in the last year DFI:

- Initiated a Covid Relief plan that offered up to \$500 to all Downtown businesses to assist with costs incurred during the re-opening phase.
- Developed a program to provide funding to help businesses move to online, contactless, retail sales.
- Moved its board meetings online, conducting most of its business virtually and made significant efforts to lead the way in Covid protocol.
- Provided Downtown dollars to many Downtown businesses who distributed them to their staff – a trend that shows no sign of letting up!
- Purchased over 500 bags of salt, distributed by our board members, for every Downtown location within our boundaries. (A huge shout out to Simms Home

Hardware for the use of their truck – of course, Bruce had his hand on the wheel of the big yellow truck and didn't do any damage that we couldn't fix!)

As the world was turned upside down, things kept moving – many projects are underway in Downtown Fredericton and will continue well into 2021, providing further stimulus and growth for the future!

- Ross Ventures building on Carleton St. is now completed and will bring significant new business to Downtown Fredericton.
- At the Smythe Street roundabout, we look forward to an amazing new art installation.
- Our new Downtown All Wheel park is completed and is by all accounts a significant success.
- Work on Officers' Square continues -- we are working diligently with the City as we all work to "get it right"
- Construction of the new Regent Street office building continues, again, bringing new investment and business to Downtown Fredericton!
- Construction has begun on Queen Street Condo's.
- Our beloved Playhouse continues to be on the radar and we look forward to working directly with them to get things moving.
- Centennial Place project is underway and will bring significant growth to our downtown.
- We have made significant commitments to our Halo Event – Harvest Jazz & Blues -- to ensure that it remains a staple for years to come!

I am now at the end of my appointed time at DFI. Thinking back on the last few years, I am proud of the work that we have done as a group. Although we have



accomplished much, I thought it appropriate to share what I believe are the “**Top 5 Successes**” of DFI in the last few years.

## 1. **Our Relationship with the City of Fredericton:**

Our working relationship has never been better. When I started at DFI many years ago, the relationship between the City of Fredericton and DFI was not everything it could, or should, have been. Over the last several years, this has improved greatly. Today, the City and DFI enjoy an excellent working relationship – due in no small part to our board members, City of Fredericton Staff, and our General Manager, Bruce McCormack.

**2. City Centre Plan** – In 2015 we worked in collaboration with the City of Fredericton to develop a new vision for our Downtown. We worked and contributed to this vision, just as we continue to work to bring this vision to reality. We have a lot of work to do, but we can see first-hand the changes on Carleton; additionally, the development of a new Skate park is on point with our plan and we look forward to much more in the future! The plan provides detailed information related to building design, sidewalk design, the pedestrian environment, parking lot design, open space, and land use patterns in the Downtown. Its intent is to create an urban design theme that links the entire city centre together to guide development in the Downtown for the next decade and beyond. As an aside, the plan earned a 2016 Award of Merit from the Canadian Institute of Planners (CIP) in the category of City and Regional Planning!

**3. Expansion of Downtown Boundaries.** In 2018 we began work to expand our Downtown boundaries to better reflect the reality of what our Downtown is. We successfully extended the boundary to include all of Brunswick Street from the east of the Bill Thorpe Walking Bridge to the Victoria Health Centre. We are pleased to have many new businesses enjoying the benefits that we provide!

**4. Marketing** – Five years ago, we made the bold move to hire a full time Marketing Guru. Truthfully, I’m not sure anyone on the board at the time knew how it would go. Ultimately, we said “Damn the Torpedoes” and went for it. We struck gold when we found Krista Rae. In the last five years, Krista has worked tirelessly to promote Downtown Fredericton! DFI has carefully spent over \$469 000.00 to promote our Downtown businesses! With our recent expansion and the effects of COVID, Krista has her work cut out for her. I can’t wait to see what she accomplishes in the next 5 years!

**5. Common Sense Approach to Decision Making** – During my time on the board, I have borne witness to a board that makes very good decisions. Simply put, we have a lot of very smart people around the table, and

although we often have solid debates on issues, I cannot think of a single instance, even with the benefit of hindsight, in which we ended up at the wrong decision. I am incredibly proud of the group that I have been fortunate enough to work with and have no doubt that this track record of good decision making will continue in the future.

I would be remiss if I did not point out some obvious things that will consume our attention in the years to come. As we move to a recovery phase from COVID, many things will never go back to the way they were. For example, many companies within our Downtown borders have moved to a permanent work from home model. We will no doubt see less daily foot traffic than we did in the very recent past. This will require businesses and retailers to be creative – to develop new strategies to generate traffic. I can steadfastly promise that DFI will be there to help every business with this challenge.

In the last few years we have seen a generational explosion in our Downtown. We are seeing significantly more people living in our Downtown than ever before. These people will, to a large degree, determine how our Downtown looks and operates in the years to come. New businesses must emerge to help meet their needs and desires, creating significant opportunities for those bold enough to jump at them! Significant opportunities are awaiting us as we make the transition to a post-COVID world. As always, we will support our Halo Event, Harvest, and will diligently work to bring back the successful Thursday night Market! We see significant opportunity as we look ahead to the Christmas season (Santa Claus is coming to town before we know it!) and will be launching our “Downtown Dollars” Christmas campaign as we have done in years past to support our retailers.

As I leave DFI after eight years of service, I would like to thank everyone who has helped make our Downtown a better place. Specifically, our in-house Staff: Vicki Stickles, Krista Rae, and Bruce McCormack. Downtown would simply not be what it is today without your hard work. You have each worked tirelessly for the betterment of our Downtown and for that, I thank you – you deserve endless praise for the work you do!

I look forward to seeing what DFI accomplishes in the years to come. Our Board consists of the best and brightest that Downtown has to offer, and I can assure our membership that we are in good hands as we move toward the future.

All the best,  
Matt Savage  
President  
Downtown Fredericton Inc.



Fredericton-McDonald's owners Bob & Jan Chisholm purchased \$33,000 in Downtown and Business Fredericton North Dollars for their staff as a thank you for working through Covid-19 and to support local businesses.

## ABOUT DOWNTOWN FREDERICTON

### WHO WE ARE

Downtown Fredericton Inc. (DFI) is a non-profit Business Improvement Area dedicated to sustaining and encouraging growth in the central business district of Fredericton, New Brunswick. To do this we implement programs designed to revitalize, promote and enhance the commercial viability of the downtown on behalf of our 650 plus members in cooperation with private and public sector partners. Our goal is to create a vibrant downtown community, full of energy for you to enjoy.

### ABOUT THE BIA

A Business Improvement Area (BIA for short) is a geographically defined urban area containing primarily non-residential properties generally located in a city's Central Business District. The BIA concept promotes a collaborative relationship between business and property owners, encouraging them to work together, creating a vibrant and thriving downtown. Downtown Fredericton Inc. was founded in 1980 and received its official BIA designation under the aegis of the Business Improvement Area Act in 1982.

### MANAGEMENT AND FUNDING

Downtown Fredericton Inc. is governed by a volunteer Board of Directors comprised of up to ten elected members from the business community and one

appointed member from City Council. Members of the Board are elected at the Annual General Meeting and all are property owners and tenants within the BIA boundaries. All members are eligible to vote at the AGM, make nominations to, and serve as a member of the Board of Directors.

DFI has three full-time staff that are responsible for day-to-day management of the organization and implementation of programs as directed by the Board of Directors. Part-time and seasonal staff are hired to assist in peak periods of activity.

The operating budget of DFI is funded solely by a Municipal Business Improvement levy that is paid by all commercial properties within the boundaries of the BIA. This levy is based on a percentage of the property's assessed value and appears on the property tax bill. The rate for the DFI BIA is 20 cents per \$100.00 of assessed value.

### OUR MEMBERS

Downtown Fredericton Inc. represents all commercial property owners and commercial tenants in non-residential properties located within the BIA. Businesses and property owners are automatically members of DFI by virtue of their location within the defined boundaries of the BIA (from Government House to the Bill Thorpe Walking Bridge and from the Saint John River to the mid-block between Brunswick and George Streets including the entire blocks from Sunbury to St. John Streets)





# 2020-2021 BOARD OF DIRECTORS AND STAFF

## PRESIDENT

Matt Savage – Savage’s Bicycle Center

## VICE-PRESIDENT

Mike Davis – The Radical Edge

## SECRETARY/TREASURER

Shane Sutherland – S/S Tire and Auto Service

## DIRECTORS

Mike Babineau – Cora Breakfast and Lunch,  
King West/RustiCo.  
Barry Morrison – Morrison Holdings Ltd.  
Gabriel el Zayat – Property Owner  
Vanessa Gray – Cox & Palmer  
Chelsey Daley – Sequoia Fredericton  
Marty Mockler – Property Owner  
Patti Hollenberg – Chess Piece Patisserie and Café  
After Patti Hollenberg, add:  
Bernie Holland, Assante Wealth Management  
Stephen Chase – City of Fredericton

## STAFF

Bruce McCormack – General Manager  
461-8323 | bruce@downtownfredericton.ca  
Vicki Stickles – Office Manager  
458-8922 | vicki@downtownfredericton.ca  
Krista Rae – Marketing/Communications Coord.  
461-7484 | krista@downtownfredericton.ca







# PROGRAMS

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## PLANNING AND DEVELOPMENT

Downtown Fredericton Inc. seeks input through member committees, and private and public stakeholder consultations to develop annual and long term goals for the organization. The plan is developed based on a community partnership approach, financial resources available and on priorities identified in the areas of administration, promotion, economic development, physical improvement, advocacy, business assistance and consultation services. The Board of Directors has final approval on recommended policies, programs and annual budget. The budget is then presented to City Council for final approval as part of the BIA mandate.

## PROMOTION

Our primary goal is to promote the downtown to new and existing consumer markets as the preferred place to shop, dine, work, live, play, stay and do business. Our main strategy focuses on attracting people to the downtown by creating and promoting a vibrant environment, community and centre of activity. DFI offers grants for event organizers and also coordinates seasonal and year-round promotions and advertising campaigns that include co-operative advertising opportunities for downtown business members.

## PHYSICAL IMPROVEMENTS

Programming designed to provide an attractive, safe, clean, and pedestrian friendly downtown include initiatives such as streetscape improvements and financial assistance for property owners and tenants for façade, security and parking improvements. Businesses that would like financial assistance with façade can apply and, if chosen, receive 50% of the total costs to a maximum of \$3500.00 per façade, maximum of two façades per building. DFI will cover 50% of the total costs of security improvements up to a maximum of \$3000.00 per property. DFI will cover 40% of the total costs of parking improvements up to a maximum of \$2500.00 per property.

## ECONOMIC DEVELOPMENT

DFI works in partnership with private developers, all levels of government and community agencies to develop strategies that seek to support and enhance the level of economic stability of the downtown core. Programs that work to provide an attractive and welcoming downtown set the stage for economic growth, raising property values which benefit everyone. Programming includes redevelopment projects, business retention, recruitment and expansion strategies, tourism development initiatives, grants for downtown festivals and special events.



## ADVOCACY

Downtown Fredericton Inc. provides a unified “voice” for downtown businesses on issues and areas of concern affecting the downtown core, working to inform and generate awareness among government representatives, policy makers and staff. BIAs can also be very effective in advocating change at the public planning and policy makers and staff. BIAs can also be very effective in advocating change at the public planning and policy development level when problem areas have been identified.



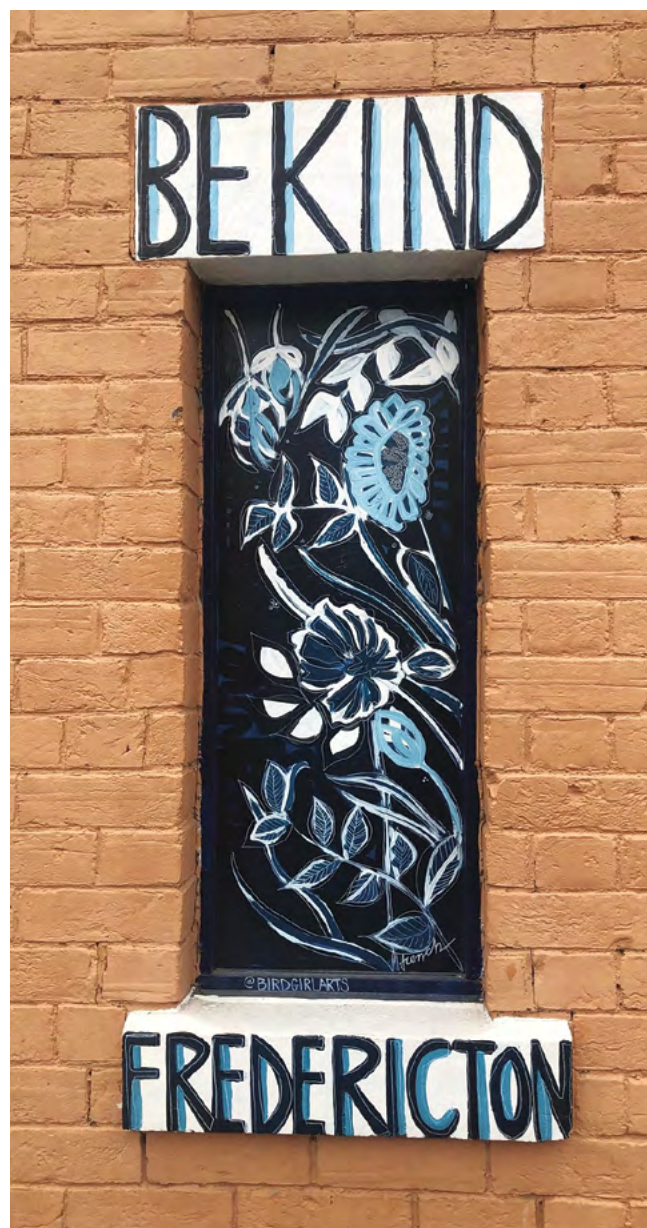
## BUSINESS ASSISTANCE AND CONSULTATION SERVICES

DFI offers a variety of business support services and programming designed to assist business members so they may compete effectively and prosper in today's marketplace. Services include: research information, consultation assistance on marketing, advertising, façade & security improvements, signage, municipal by-laws and zoning, co-operative advertising opportunities, group volume discounted advertising rates, customer opportunities, customer service support programs, free business listings in promotional brochures, financial assistance programs, educational/training resource support, downtown leasing information, free DFI website member directory listing including free links to their business website.

## VISION STATEMENT

With its rich cultural history at its foundation, the City Centre will reflect Fredericton's status as a capital city and will be the vibrant heart of business, government, learning, social, cultural and tourism activities. It will build on its success and become a place defined by excellence in design, innovation and stewardship. The Saint John River will once again be a feature of the City Centre. It will be a place that inspires and excites both residents and visitors. Above all, it will be a unique place – a place that captures the essence of Fredericton and its values, a place that is both proud and welcoming to all.

For more information and/or a current listing of Programs and Services offered by DFI, visit our Downtown Fredericton Inc. website at [www.downtownfredericton.ca](http://www.downtownfredericton.ca)









# GENERAL MANAGER'S REPORT

January 2020 began with normal bold New Years resolutions: big plans and dreams to set records in business sales, serve more customers, see increased numbers attending festivals and events, increase the number of meetings and conventions, craft more beer and cider, sell more and increase our client base. It was to be another great year for downtown business.

Then on March 19th the Province declared a State of Emergency due to Covid-19. These were extraordinary measures that were very challenging for everyone along with ever changing guidelines and recovery levels.

Our retail, bars and restaurants stopped admitting patrons; restaurants went to take-out or delivery only and retail only curbside pick up. Public facilities including theatres, pools, spas, yoga studios, libraries, museums, barbers, salons, schools and colleges etc. stopped admitting members of the public, except grocery stores, pharmacies, post offices, convenient stores, hardware stores and government run agency stores.

The phrases "social distancing", "wear a mask" and "stay home" were heard repeatedly and unfortunately these instructions are still heard from the Chief Medical Officer of Health Dr. Jennifer Russell.

DFI kept up to date with the communications that came from the provincial and federal government and we supported and distributed weekly information notices from the Chamber, all important messages that affected business. Everyone worked together to support one another.

Downtown Fredericton worked closely with the City ensuring downtown was safe.

The major decision to delay the construction of Phase 1 on Regent St between Queen and King St was a difficult decision but after much discussion the decision was made to delay until 2021. This was a smart decision.

As businesses began to re-open slowly and cautiously, we found a huge number of employees were still working from home (normally we have 12,000 employees working daily Monday to Friday), most festivals and events were cancelled, and the borders from upper Canada and the US stayed closed - which meant that Tourist numbers were terrible. Thankfully, regional travel within the Atlantic Bubble was open and the Province subsidized vacations within New Brunswick, so our businesses started to see improvements.

Harvest Jazz and Blues worked very hard to keep the momentum going from what was a record setting year in 2019. Downtown has become accustomed to hosting over 100,000 attendees in five days having an economic spin-off of \$6-8 million, with over 150 performances. But 2020 was





a different year to say the least with less than a dozen downtown viewing party locations and stay at home Facebook and YouTube presentations all on one day. Kudos to Harvest for doing the best they could under extremely adverse conditions.

One of the more trying situations of 2020 was the conditions that the homeless had to endure as a result of the pandemic. Public buildings that normally hosted our homeless population were closed or regulations prevented them from doing the things they were used to. Not having access to washroom facilities was the worst. The Downtown Health Clinic grounds became a temporary home to over thirty homeless. This caused extremely troublesome conditions and situations for the businesses in the area. The businesses along King St lost customers daily; business that was hard enough to find in a pandemic. DFI, in partnership with the City, met on numerous occasions with the Horizon Staff, Social Services, Public Safety, Addictions services as well as the Downtown Health clinic managers and business owners. These discussions were frustrating. The Provincial departments just passed the ball from one to another and did not seem to find a long-term solution. To me it is not just about Housing - Social Services said they had available housing, but not all the people living rough could obtain housing as they needed mental health and drug addiction counselling; they just could not look after themselves and would be a danger to themselves and others. Since then, there has been some work done to

provide the services necessary. The City Motel has been purchased and will be operated by the John Howard Society. We wish them all the best.

As businesses began to re-open, Downtown Fredericton created a new Covid-19 Restart Program which gave members up to \$500 to purchase safety equipment that would help each business adhere to the provincial regulations that they must follow in order to re-open. As seen from the Audited statement this program was well used. The Improvement Program which supports our property owners and businesses to update their Façade, Security or Parking Lots was also well used.

A new idea that came from our President, Matt Savage was the Sidewalk Salt delivery on November 30th to every downtown street level address. Members of the board distributed bags of salt throughout the downtown. A BIG thank you goes out to John Burgess, owner of Simms Home Hardware, for donating one of his company trucks and giving us a great deal on the bags of salt.

As we all worked through Covid-19, the Developers of 140 Carleton St. (Ross Ventures Limited) and The Waverly (State Street Properties) on Regent St. continued with the finishing touches on these office buildings. I must say both developers should be proud of these beautifully designed buildings.

As well "Queen Street Suites" by Tony George and "The Promenade" by Earl Brewer of State Street Properties





saw continued construction on these residential high-rise buildings on Queen St. This brings the total to four new residential properties in downtown over the last three years and brings more residents to shop, dine and play in our downtown.

Even though our businesses struggled, our strong-minded business owners, who are true entrepreneurs, keep our downtown strong. In fact, we saw fourteen new businesses start up and only a handful close. At present we have only two vacant retail or service retail spaces excluding Kings Place.

I applaud the City for their support during these trying times. The Al Fresco dining locations in Phoenix Square and Barracks Square added extra seating that was truly needed. Also, the city waived the annual costs for outdoor patios, and the Tourism promotion with "DINNER ON US" through the hotel packages using Downtown and Business Fredericton North dollars was huge success and will continue through the Spring and Summer of 2021.

Our Downtown Dollar program has been a huge success but 2020 set an all-time record, selling \$250 thousand dollars in 2020. This year due to Covid-19 we engaged one of our partners, The Playhouse, to sell our DTD through their ticketing system for our Christmas promotion. \$100,000 DTD were sold in less than half an hour. As well, local business owners, City, Government departments truly supported our Shop Local campaign

by buying their staff Downtown Dollars for bonuses and Christmas presents. A very shop and support Fred local thing to do.

I would like to thank Matt Savage, our out-going President, for his contribution of time and leadership over the past eight years on the DFI Board. Matt has his heart and soul focused on improving the business climate in Downtown. He brought a common sense approach to resolving issues and was very thoughtful and sincere when it came to supporting staff.

This has been a very stressful year and we have seen changes in the way we do business, maybe a new normal, but our board has continued to stay focused on their role as representatives of our membership continuing to improve programs and services that will help and support all our businesses. So, thank you to our board members for sharing their valuable time, it is very much appreciated.

In this year like no other, Vicki and Krista continued to work tirelessly to help and support our members and the board. Krista recently celebrated her fifth anniversary with us, and Vicki her 21st., Wow, how time flies when you're having fun. Big Thank You to you both for all the work you do.

We look ahead with optimism.

Bruce McCormack, General Manager,  
Downtown Fredericton Inc.







# MARKETING REPORT

What started out as a normal year, quickly went haywire as COVID-19 arrived in New Brunswick and locked us down in mid-March.

Prior to the lockdown, we had a successful FROSTival with a Downtown Gallery Hop, Shivering Songs music festival, Dine Around Freddy, the Ice Sculpture Showcase, Ice Skating in Officers' Square, and entertainment at the Playhouse all bringing the downtown to life during an otherwise quiet time of year. Little did we know that FROSTival would be our last hoorah for the foreseeable future!

Many people have commented to us over recent months that things must have been quiet for the DFI team when everything shut down, but my response is that it was far from quiet or relaxing! While we did close our office and work from home, there was much to be done from day one of the lockdown in order to communicate quickly and clearly to the public that many of our businesses were still operational.

Immediately we created a page on our website which listed the businesses that were essential and still open. The list quickly grew to include more businesses which were operational but could not be open to the public, and the services they could provide: takeout, delivery, curbside pickup, online orders, etc. And then we also listed the businesses which were fully closed. This list required updates daily for the first few months, but it also became the most accessed page on our website, with 19,000 visits!

Communications to members was very important in 2020. We relied heavily on the Fredericton Chamber of Commerce as they were a great source of information for businesses. Instead of duplicating the information, we forwarded the Chamber's updates to our members regularly and encouraged them to make use of the information and links provided on the chamber's website. We also regularly asked our members to provide us with updates on their operations and hours.

Our forms of communication to the public early in the pandemic included radio (with frequent updates to script/message) and social media primarily. As we moved into summer, and as businesses re-opened and it became

apparent that we would have more local traffic during the traditional summer tourism season, our messaging turned to a campaign inviting locals to "Rediscover the Heart of Your Hometown" with a mix of digital, radio, social and print advertising.

During the lockdown, a working group was formed including DFI, Business Fredericton North, Fredericton Chamber of Commerce, Ignite Fredericton, City of Fredericton and Fredericton Tourism, through which #SupportFredLocal was created. We all provided funding to create campaigns encouraging residents to continue to use local businesses at a time when these businesses needed the support most. Radio advertisements, lamp post banners, digital advertising, transit bus ads, print ads, window clings and stickers for take-out containers and shopping bags were all included in the #SupportFredLocal campaigns which ran on and off throughout 2020, and will continue in 2021.

Our local radio rep encouraged us to apply for the Stingray Stimulus Program, which was awarding \$15,000,000 in advertising grants across the country. Downtown Fredericton was awarded \$5600 in grant money, split evenly between UP! 93.1 and New Country 92.3. We used this grant for radio advertising over the summer months.

In June, we were approached by Fredericton Tourism who had received funding through a domestic marketing investment for Canadian communities by Destination Canada. They were working with lodging partners to curate and create compelling travel packages to drive bookings and revenues. Specifically, they began purchasing \$50 bundles of Downtown Dollars at a discounted rate to add to packages as part of a Second Night Stay Promotion. This promotion ran throughout the summer and fall, and when the holiday/winter season approached was switched to single night packages at local hotels.

Overall, the number of Downtown Dollars that were sold in 2020 was \$246,505 for the year (in 2019 it was just over \$104,000). The increase in sales was composed of:

- a larger amount offered through our one-day sale in November (\$100,000 versus \$70,000 in 2019),



- sale of \$50 bundles to Fredericton Tourism for the hotel packaging,
- increased general sales to the public, purchasing Downtown Dollars as gifts for family, friends, teachers, etc.
- significant sales to Fredericton businesses who were looking for new ways to thank their staff and support local.

Early in 2020, we met with local artists Laura Forrester and Penny Heather who were looking for support towards the creation of a Mural Festival. Although their festival didn't get off the ground in 2020, Downtown Fredericton did commission a mural from these artists which was completed in July. We partnered with S/S Tire & Auto where the mural was painted facing Westmorland Street. Our goal with this mural was for it to lift spirits during a difficult year and we asked to have downtown and local elements included. The artists included local flora and fauna as the main visual elements, plus incorporated the Bill Thorpe Walking Bridge, City Hall, a saxophone for Harvest Jazz & Blues, the river and a Pride rainbow. We were very pleased with the results and the public's positive response.

Among the many things cancelled in 2020 were several events that we normally host including the Spring, Summer and Fall Gallery Hops, the Busking Program, and during the holiday season the Moonlight Shopping Event, carolling by the Elm City Echoes, visits from Santa, the Family Holiday Party at the library, Christmas tree lightings at the Legislature and City Hall, and the DFI Christmas Social.

While several of our normal holiday events were cancelled, we were still able to organize a campaign that included:

- The biggest and best Downtown Dollar Blowout to date! We moved the sale online through the Fredericton Playhouse online ticketing system and sold a record-breaking \$100,000 in mere minutes! We were amazed at the response to this event and very thankful for the community's support.
- Free Parking Days with Hotspot (3 were offered)
- 2 weeks of contesting on Stingray radio stations Up! 93.1 and 92.3 New Country.
- 12 Days of Christmas contest with Capital FM
- The Calithumpians performed over noon hours around the downtown, and they wrote and voiced radio advertisements for us plus put together a fun holiday video about shopping downtown.
- We assisted Downtown New Brunswick leading into the holiday season with putting together a "Support Local" television and digital campaign with the Bell/CTV network.

It was a year in which we were continually amazed by the resilience and ability to pivot shown by our businesses. This mentality to forge forward was inspiring and made me extremely proud to be part of our Business Improvement Area!

Respectfully submitted,  
Krista Rae  
Marketing and Communications Coordinator  
Downtown Fredericton Inc.







# ANNUAL GENERAL MEETING

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## DOWNTOWN FREDERICTON INC.

Wednesday, November 4th, 2020

Crowne Plaza Hotel

### IN ATTENDANCE:

Matt Savage  
Marty Mockler  
Donna Thompson  
Patti Hollenberg  
Celine Bertin  
Leah Murchison  
Dan Myers  
Melanie Jones  
Julia Stewart  
Mike Davis  
Ron Thompson  
Mike O'Brien

Bernie Holland  
Peter Pacey  
Will Pacey  
Mike Babineau  
Stephen Chase  
Christine Little  
Kate Rogers  
Tim Doherty  
Leanne Irving  
Melynda Jarrett  
Arnold Chippin  
Stacey Russell

### CALL TO ORDER

The meeting was called to order at 12 noon by General Manager, Bruce McCormack. Bruce welcomed everyone to the meeting and introduced Councillor Stephen Chase to bring greetings from the City of Fredericton.

### GREETINGS FROM THE CITY OF FREDERICTON COUNCIL AND MAYOR

Councillor Chase expressed how council and DFI have a great working relationship. He sits on the DFI Board of Directors and the City sees how important it is to have a successful partnership with DFI. Councillor Chase wishes for a successful Annual General Meeting. General Manager, Bruce McCormack thanked Councillor Chase for his greetings and introduced Mayor Mike O'Brien to bring greetings from the City of Fredericton. Mayor



Mike spoke about the relationship being better and better every year between the City and DFI. Stepping up communications with DFI and businesses will continue to improve. Congratulations to DFI for all your work. Bruce thanked Mayor O'Brien. DFI does appreciate the relationship we have with the City of Fredericton. We have a lot of growth in the downtown and that comes from working together.

#### Approval of minutes from May 23, 2019 meeting

Moved by: Mike Babineau

Seconded by: Councillor Steven Chase

All in favor, motion carried.

#### Approval of agenda for today's AGM 2020

Moved by: Matt Savage

Seconded by: Will Pacey

All in favor, motion carried.

## AUDITED FINANCIAL STATEMENTS

Nicholson & Beaumont Chartered Accountants, Melanie Jones – Presentation of the 2019 Audited Financial Statements for Downtown Fredericton Inc. The financial statements were presented fairly, as of December 31, 2019.

Melanie reviewed the state of financial position, changes in new assets and cash flow. The operations of income statement are due to expanded borders which resulted in increased levy for the organization.

The expenses are mostly similar from the past year. Increase to façade improvement program was board approved, marketing was increased due to increased sale of downtown dollars for Christmas 2019. There are no concerns to report. General Manager, Bruce McCormack thanked Melanie for her work with the audit and presenting them today.

**Motion to accept the audited financial statements as presented.**

Moved by: Matt Savage

Seconded by: Mike Davis

All in favor, motion carried.

## PRESIDENT'S REPORT

President Matt Savage thanked everyone for coming to the meeting today, thanks to Councillor Chase, Councillor Rogers and Mayor Mike O'Brien. Over the years, things happen that have effects on our businesses.

In 2008 business owners thought it was the worst year in business, then in 2020 things are different. Businesses need to change with the situations and learn to adapt. Over the course of the summer for 2020 our meetings went online; we introduced a start up covid fund for businesses downtown which allowed up to \$500.00 back for supplies needed to help them open back up for business. The Ross Ventures new building is almost completed, and our downtown dollar program has seen businesses purchasing dollars for their employees to help local businesses. The new Victoria Circle roundabout is completed the skateboard park is almost ready to go and we have a new building under construction on Regent Street. Harvest Jazz and Blues festival will be back in 2021, this is important to our downtown. The City of Fredericton made the move to bring back staff to offices after many closed for a period of time early this year due to the Covid pandemic; thank you. Matt thanked the board members and staff for all their work, thank you Krista for keeping things positive for downtown during shut down, Vicki for in house operations and Bruce for everything you do.

## NOMINATION REPORT

### Re-offering directors

Mike Davis	4th term	2020-2022
Chelsey Daley	2nd term	2020-2022

### Remaining Directors

Matt Savage	4th term	2019-2021
Shane Sutherland	3rd term	2019-2021
Barry Morrison	3rd term	2019-2021
Mike Babineau	3rd term	2019-2021
Vanessa Gray	2nd term	2019-2021
Gabrielle El Zayat	2nd term	2019-2021
Marty Mockler	1st term	2019-2021
Patti Hollenberg	1st term	2019-2021

Councillor Stephen Chase (appointed)

Nomination for Bernie Holland – Assante Wealth Management

Bruce called for nominations from the floor three times, no further nominations were received. **Nominations ceased by Marty Mockler, seconded Donna Thompson.** Bruce thanked those in attendance and congratulations to Bernie Holland, our new board of directors' member.



# APPROVAL OF AMENDMENT OF DFI BYLAWS

By-Law Number 2 (2020)  
Downtown Fredericton Inc.  
(the Company)

A bylaw amending the By-laws of the Company.

**WHEREAS** it is deemed desirable the By-laws of the Company be amended to permit video/electronic annual and special general meetings.

**NOW THEREFORE BE IT ENACTED** and it is hereby enacted that:

Section 21 of the By-laws of the Company is hereby amended as follows:

21.a Subject to any restrictions to the Business Improvement Areas Act, the annual or special general meeting of members shall be held in the Business Improvement Area (BIA), on such day in each year and at such time as the board by resolution or in absence of such resolution as the President may determine, but not later than the maximum time permitted by the act for holding of an annual or special general meeting of the company. The Annual or Special General Meeting may be held virtually by use of the internet and /or telephone to allow members to attend and participate in the meeting should it be decided by motion of the board, only under extreme conditions, that holding the meeting virtually would be in the best interest of the Members. Where the meeting is held virtually by use of internet and /or telephone the process adopted for the meeting will be outlined at section 21(b) of these bylaws.

b. Should an annual or special general meeting be held virtually and /or by telephone pursuant to section 21(a) the following process shall apply:

1. The Company shall choose whichever electric virtual method it deems best to conduct the meeting, so long as the method allows members to attend free of charge and provides for a method for participating members to cast a vote that can be accurately recorded by the company during the meeting.

2. An exception to Article 23 shall be made and "OR, that the Company shall be entitled to send notice of the meeting by electronic mail to the Members".

**Be it resolved that**, as presented at the Annual General Meeting of November 4th, 2020, the members approve By-law Number 2(2020) pertaining to the ability to hold the Annual General Meeting OR Special General Meeting of the company virtually should it be deemed by the Board, only under extreme conditions, to be in the best interest of the Members.

**ENACTED** as a Special Resolution of the company's membership at the Annual General Meeting on November 4, 2020.

**Motion to accept amendment of DFI bylaws as presented,**  
**Moved by: Councillor Stephen Chase**  
**Seconded by: Mike Babineau**  
**All in favor, motion carried.**

Approval of 2021 budget for Downtown Fredericton Inc.

## **Downtown Fredericton Inc.** **Budget 2021**

### **Revenue**

BIA Revenue (.20cents /\$100 of assessment @ 347,385,400)	694,771.00
Interest Income	7,000.00
Total Revenue	701,771.00

### **Expenses**

Bad Debts	100.00
Bank Fees	3,000.00
Building Occupancy	26,000.00
Business Development	18,000.00
Depreciation	11,000.00
Strategic Planning Initiatives	5,000.00
Grants – Festivals	35,000.00
Grants- Incentive Program	70,000.00
Insurance	2,600.00
Maintenance – Street	54,000.00
Marketing & Communications	110,000.00
Office Expense	15,000.00
Professional Services	6,000.00
Salaries/Employers Costs	269,400.00
Severance Reserve Fund	5,000.00
Sponsorship	25,000.00
Streetscape Improvements	46,671.00

**Total Expenses** **701,771.00**

**Net Income/Loss** **0**

The levy each year is based on 20 cents of \$100/ assessment of property. Funds are invested when received each year as we receive one lump cheque in February for the year. Bad debts, we do not have any bad debts, Vicki does great job collecting on properties. Downtown Dollar Sale will be sold this year through the Playhouse for first time due to Covid regulations. Online purchase will be the same at maximum of \$500.00 for 20% off to cost customer \$400.00. Businesses have been purchasing dollars to use for staff this year to help staff who have been working through Covid. McDonalds



purchased \$19,000 for their employees. Planning Initiatives is funding in budget for public artwork. Festivals/Events, not many were able to have their festivals this year due to restrictions with Covid. Any events that could do some of what they had planned we supported.

Breakdown of Budget – Streetscape/Maintenance – DFI has two seasonal maintenance employees and we hire a company to do graffiti removal off downtown properties. Marketing and Promotions we used more funding to do more radio, paper, online advertising to help businesses through Covid. The total budget is \$701,771 for the year.

**Motion to accept the 2021 budget as presented**

**Moved by: Mike Davis**

**Seconded by: Patti Hollenberg**

**All in favor. Motion carried.**

## GENERAL MANAGER REPORT – BRUCE MCCORMACK

Would like to first recognize staff Vicki Stickles, who has been working with the organization for 21 years as our Office Manager and Krista, our Marketing and Communications manager who has also done a great job getting us through Covid. Thank you, Vicki and Krista. We had a meeting with the City to stop some of the construction for this year due to Covid; they did do some other projects that were approved to be done, the all-wheel park, and work on King Street storm drains. There was scheduled work to be completed this coming long weekend in front of the Victory Meat Market on King Street and we met with the city to express concerns of doing the work during a long weekend when it would be busy, the city agreed to move the date ahead for the work to be completed next week instead. DFI created a Covid-19 Restart program this year for the downtown businesses to assist with costs that were associated with businesses being able to keep their doors open for business.

DFI also had a portion of funding for Harvest Jazz and Blues festival go towards the entertainment at the bars/restaurants downtown. We spent more funding on marketing the businesses during the summer months due to Covid, letting public know the businesses were still open.

Downtown did see a homeless issue this summer, in early spring there was a shelter opened at Fredericton High School to house the homeless where they could be socially distanced. Once the shelter there closed the homeless moved back into the downtown and this had

a very negative impact on our businesses. Bruce was part of meeting with Horizon Health and Public Safety to discuss our concerns but nothing has happened. We will continue to meet with this group and express our concerns, right now there is no one taking responsibility. Donna Thompson spoke they should contact Action Group for Homelessness. The tax base that we pay for properties located within the downtown should have some grounds for the Province to be able to step in to help with this issue.

The Fredericton City Police completed an assessment on Kings Place Mall and changes were made, things are better.

Construction Update – we will be asking council to go ahead with the scheduled work to be completed on Regent Street as Covid-19 is still going on. There are some offices who still do not have their employees back in their offices downtown. We feel that this is the time to do the construction as we are not running at 100% right now, we are at around 70%. Phase 2 of King Street to George Street we are asking city to not do until 2022 to give our businesses a much-needed break. Earl Brewster's new building on Regent Street will open in 2021 as a mixed-use building. Officers Square will be completed in 2021 as well as work on Carleton Street.

Donna Thompson asked about any leniency on parking meters downtown, need something positive. Parking Services are not controlled through Downtown Fredericton Inc, this is a city service.

## OTHER BUSINESS

Peter Pacey/Will Pacey would like to say "Thank you" to the DFI, Bruce, Vicki and Krista for everything they do in support of the Calithumpians. We have had a very difficult year, we had to move from Officers Square due to construction to Cathedral Memorial Hall this year. Covid and physical distancing has put off some of the programming that we originally had scheduled to do. Calithumpians have been going for 41 years.

Remembering Seth Chippin, and John Blois, Peter read poem "In Flanders Field" in memory of friends who have passed.

## ADJOURN

**Motion to adjourn the DFI Annual General Meeting, at 1:15pm**

**Moved by: Councillor Stephen Chase**

**Seconded by: Matt Savage**

**All in favor, motion carried.**





# AUDITED FINANCIAL STATEMENT

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## FINANCIAL STATEMENTS

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NICHOLSON & BEAUMONT  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Directors of Downtown Fredericton Inc.:

### Qualified Opinion

We have audited the accompanying financial statements of Downtown Fredericton Inc., which comprise the statement of financial position as at December 31, 2020 and the statements of operations, cash flows and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect on the statement of financial position of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Downtown Fredericton Inc. as at December 31, 2020, and the results of its operations, for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

Downtown Fredericton Inc. sells Downtown Dollars which function similar to gift certificates and can be used at most downtown businesses. As at December 31, 2020 there was a liability for Downtown Dollars totalling \$170,125 which forms part of the accounts payable and accrued liabilities on the statement of financial position. We were unable to obtain sufficient appropriate audit evidence about the accuracy or completeness of the balance of the liability related to Downtown Dollars, consequently, we were unable to determine whether any adjustment to the liability and excess of revenue over expenditures was necessary.

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 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 these 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 related to going concern and using the 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.

Independent member of Porter Hétu International, professional services group.

● 328 King St, Fredericton, NB, E3B-5C2 ● Office - (506) 458-9815 Fax - (506) 459-7575 ● [www.nicholsonbeaumont.com](http://www.nicholsonbeaumont.com)





### 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 judgment and maintain professional scepticism 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.

Fredericton, NB  
April 21, 2021

  
Chartered Professional Accountants

Independent member of Porter Hétu International, professional services group.

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# Downtown Fredericton Inc.

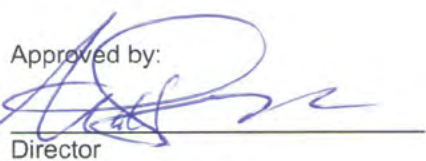
## Statement of Financial Position

As at December 31, 2020

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 408,197	\$ 168,645
Cash - restricted	90,017	84,845
Accounts receivable	41,258	30,560
Prepaid expenses	<u>9,791</u>	<u>11,109</u>
	549,263	295,159
Property and equipment - Note 5	<u>43,373</u>	<u>54,366</u>
	<u>\$ 592,636</u>	<u>\$ 349,525</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 198,673	\$ 72,147
Government remittances	<u>5,582</u>	<u>7,515</u>
	204,255	79,662
Long-term		
CEBA loan - Note 6	<u>30,000</u>	<u>-</u>
	<u>234,255</u>	<u>79,662</u>
<b>Fund balances</b>		
Severance reserve fund - Note 7	90,017	84,845
Unrestricted net assets	<u>268,364</u>	<u>185,018</u>
	<u>358,381</u>	<u>269,863</u>
	<u>\$ 592,636</u>	<u>\$ 349,525</u>

### Commitments - Note 8

Approved by:

  
Director

The notes to financial statements are an integral part of this statement.



# Downtown Fredericton Inc.

## Statement of Changes in Net Assets

For the Year Ended December 31, 2020

	Severance reserve fund	Unrestricted	2020	2019
Balance, beginning of year	\$ 84,845	\$ 185,018	\$ 269,863	\$ 248,078
Excess of revenue over expenditures	<u>5,172</u>	<u>83,346</u>	<u>88,518</u>	<u>21,785</u>
Balance, end of year	<u>\$ 90,017</u>	<u>\$ 268,364</u>	<u>\$ 358,381</u>	<u>\$ 269,863</u>

# Downtown Fredericton Inc.

## Statement of Operations

For the Year Ended December 31, 2020

	2020	2019
<b>Revenue</b>		
Business improvement area tax levy	\$ 711,987	\$ 654,058
Interest income	5,564	9,345
Miscellaneous income	<u>10,000</u>	<u>19,606</u>
	<u>727,551</u>	<u>683,009</u>
<b>Expenditures</b>		
Amortization	16,670	11,397
Bank charges	2,618	2,494
Business development	5,969	32,674
Festival and special event grants - Schedule 2	20,998	37,100
Grants - Schedule 1	60,265	82,476
Maintenance	16,543	17,323
Marketing and communications - Note 3	115,299	93,114
Occupancy and telephone	29,725	30,018
Office and postage	16,921	16,746
Parking token redemptions	-	(345)
Professional fees	4,945	5,938
Retirement allowance	5,172	4,945
Salaries and benefits - Note 4	299,007	290,151
Sponsorship	8,109	25,000
Strategic planning initiatives	-	964
Streetscape	14,218	16,174
Covid-19 restart program	<u>27,746</u>	<u>-</u>
	<u>644,205</u>	<u>666,169</u>
Excess of revenues over expenditures	<u>\$ 83,346</u>	<u>\$ 16,840</u>

The notes to financial statements are an integral part of this statement.



# Downtown Fredericton Inc.

## Statement of Cash Flows

For the Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenues over expenditures	\$ 83,346	\$ 16,840
Amortization	<u>16,670</u>	<u>11,397</u>
	100,016	28,237
Changes in working capital		
Accounts receivable	(10,698)	(7,738)
Retirement allowance	5,172	4,945
Prepaid expense	1,318	(5,731)
Accounts payable and accrued liabilities	126,526	(1,553)
Government remittance	<u>(1,933)</u>	<u>2,090</u>
	220,401	20,250
<b>Financing Activities</b>		
Proceeds from loan	30,000	-
<b>Investing Activities</b>		
Purchase of property and equipment	<u>(5,677)</u>	<u>(10,957)</u>
Net increase in cash and cash equivalents	244,724	9,293
Cash and cash equivalents - Beginning of year	<u>253,490</u>	<u>244,197</u>
Cash and cash equivalents - End of year	<u>\$ 498,214</u>	<u>\$ 253,490</u>
Cash consists of		
Cash	\$ 408,197	\$ 168,645
Cash - restricted	<u>90,017</u>	<u>84,845</u>
	<u>\$ 498,214</u>	<u>\$ 253,490</u>

The notes to financial statements are an integral part of this statement.



# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2020

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### 1. Nature of operations

Downtown Fredericton Inc. ("the Organization") is incorporated under the New Brunswick Business Companies Act and its principal business activity is to create and foster, on behalf of downtown business, an environment that attracts people to shop, do business and be entertained downtown. It is exempt from federal and provincial corporate taxes under paragraph 149(1)(l) of The Income Tax Act of Canada.

### 2. Accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

#### Revenue recognition

The Organization derives the majority of its revenue through the Business improvement area levy which is 20 cents per \$100 of property assessment from all non-residential property owners in the defined area. This revenue is collected by the Province of New Brunswick through the property tax assessment process and, along with other revenue, is recorded on the accrual basis.

#### Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided on either a straight line or declining balance basis over the estimated useful life of the asset.

The amortization rates used for each class of property and equipment are:

Office furniture and equipment	20% Declining balance
Tree lights	20% Declining balance
Computer equipment	55% Declining balance
Signs	10% Declining balance
Banners	25% Declining balance
Websites	25% Declining balance
Poster boards	10% Declining balance

#### Cash and cash equivalents

Cash includes cash on hand and short term deposits.

#### Downtown Dollars

The Organization sells Downtown Dollars which function similar to gift certificates and can be used at most downtown businesses. Downtown Dollars do not have an expiration date and the Organization honours all Downtown Dollars redeemed by members. The Organization records a liability for unredeemed Downtown Dollars at the time they are sold, and the liability is reduced when the dollars are redeemed. An allowance is recorded for unredeemed Downtown Dollars based on management's best estimate.

The notes to financial statements are an integral part of this statement.

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# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2020

### 2. Accounting policies - continued

#### Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

Cash  
Accounts receivables  
Accounts payable and accrued liabilities

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

#### Use of estimates

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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates include useful life for property and equipment and the liability for Downtown Dollars. Actual results could differ from those estimates.

### 3. Marketing and communications

	<u>2020</u>	<u>2019</u>
General advertising and marketing	\$ 48,212	\$ 35,150
Seasonal promotions	45,850	37,882
Printing costs	4,031	9,111
Outside services	<u>17,206</u>	<u>10,971</u>
	<u>\$ 115,299</u>	<u>\$ 93,114</u>

### 4. Salaries and benefits

	<u>2020</u>	<u>2019</u>
Salaries - full-time	\$ 244,157	\$ 233,833
Salaries - summer/part-time	22,867	25,688
Benefits	<u>31,983</u>	<u>30,630</u>
	<u>\$ 299,007</u>	<u>\$ 290,151</u>

The notes to financial statements are an integral part of this statement.



# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2020

### 5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2020</u>	<u>2019</u>
Office furniture and equipment	\$ 91,248	\$ 82,106	\$ 9,142	\$ 11,428
Tree lights	47,700	47,700	-	3,787
Computer equipment	43,653	42,550	1,103	2,451
Signs	20,452	17,385	3,067	3,407
Banners	93,738	66,161	27,577	30,147
Website	3,861	3,861	-	387
Poster boards	11,427	8,943	2,484	2,759
	<u>\$ 312,079</u>	<u>\$ 268,706</u>	<u>\$ 43,373</u>	<u>\$ 54,366</u>

### 6. CEBA loan

During the year, the Organization received a \$40,000 COVID-19 Relief Line of Credit from their bank as part of the Government of Canada sponsored Canada Emergency Business Account (CEBA). The full \$40,000 was advanced to the Organization. The details of the CEBA are as follows:

- A \$40,000, 0% interest, operating line of credit until December 31, 2020.
- On January 1, 2021, the line of credit will be converted to a 2 year 0% interest term loan, to be repaid by December 31, 2022. \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2022.
- If \$30,000 is not repaid by December 31, 2022, the remaining unpaid balance will be converted to a three year loan bearing interest at 5%.
- The \$10,000 forgivable loan portion has been recognized as government assistance in the statement of income and retained earnings. The actual balance outstanding on the loan at December 31, 2020 is \$40,000.

### 7. Severance reserve fund

Effective in 2011, the Board of Director's adopted a severance package model for its permanent salaried personnel. Under this arrangement, for every year of full-time service, personnel would receive one week equivalent of their regular gross wages. This applies to all eligible full-time staff members.

### 8. Commitments

The Organization leases operating premises under terms of a lease which is due for renewal in October 2023. The organization's annual gross rent obligation, under the current agreement, exclusive of occupancy costs, is \$19,200 plus HST.

The notes to financial statements are an integral part of this statement.

# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2020

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### 9. Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures at December 31, 2020.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of its operations.

#### Liquidity risk

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

There have been no significant change in exposures to the various risks from the prior year.



# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2020

### Schedule 1

Downtown Fredericton Inc. promotes the Facade, Security and Parking Lot Improvement Program to all Downtown Fredericton Inc. members. This funding program is administered and approved by the staff of the Organization and is intended to provide financial incentive and aid to property owners and tenants to improve the exterior appearance, security and private parking lot on the properties. The end result is a higher assessment to the property which directly benefits the Organization's budget. All outstanding receivables, including the Business Improvement Area Levy, must be up to date to be eligible for a grant under these programs.

		<u>2020</u>	<u>2019</u>
<b>Facade</b>			
11 Mile Food Co.	79 York Street	\$ 3,500	\$ 1,316
699156 NB Ltd. (The Medicine Shoppe)	348 King Street	-	6,000
704686 NB Ltd (St. Louis Bar & Grill)	280 King Street	3,500	6,000
A Bite of Beijing	621 King Street	-	3,000
Andal Holdings	358 Queen Street	-	3,000
Andal Properties (Subway)	349 King Street	-	6,000
Aurel Giroux	540 Queen Street	-	1,073
Blonde Hair and Esthetics Inc.	155 Smythe Street	6,328	5,950
Caribbean Flava's	123 York Street	1,913	-
Chess Piece Patisserie & Cafe	361 Queen Street	3,500	-
Disappearing Ink	620 Queen Street	700	-
Gallery 78	796 Queen Street	2,063	3,000
Gallery on Queen	406 Queen Street	228	-
Ginger Design	461 King Street	1,470	-
Glenn Group Ltd.	248 Brunswick Street	-	3,000
G P Morrison CA, Professional Corp	59 Lansdowne Street	4,614	-
Graystone Brewing	221 King Street	-	2,369
J B Real Estate	212 Queen Street	-	1,210
Klub Khrono Inc.	375 King Street	-	2,735
Lulujo Inc.	480 Queen Street	2,557	-
Lunar Rouge	625 King Street	3,500	-
Moco	100 Regent Street	3,478	-
Morinco Holdings	494 Queen Street	262	-
Ninety-Nine Corporation (Savage's)	441 King Street	2,987	5,721
Philip LeBlanc Design Solutions	198 Crawford Street	-	500
Platinum Vibe Salon	349 King Street	840	-
Radical Edge	386 Queen Street	-	6,750
Regent Holdings Ltd.	593 King Street	-	3,237
Rustico Restaurant	304 King Street	2,157	-
Scandimodern	61 Carleton Street	719	1,666
Sweat Club	361 Queen Street	-	403
The Capital Complex	366 Queen Street	-	2,246
The Cultural Market (Ace Ventures)	435 King Street	2,977	-
The Muse	86 Regent Street	-	1,688
The Real Estate Board of Fredericton	544 Brunswick Street	473	-
Urban Threadz-Studio 103	103 Church Street	2,185	-
Victory Meat Market	334 King Street	3,500	6,000
Westminster Books	88 York Street	-	1,714
		<u>\$ 53,451</u>	<u>\$ 74,578</u>

The notes to financial statements are an integral part of this statement.

# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2020

		<u>2020</u>	<u>2019</u>
<b>Parking lot improvement</b>			
699156 NB Ltd. (The Medicine Shoppe)	348 King Street	\$ 1,110	\$ 2,500
Blonde Hair and Esthetics Inc.	155 Smythe Street	740	-
Kileel Developments Ltd.	99 Westmorland Street	-	2,500
S/S Tire & Auto Service	315 Brunswick Street	-	398
		<u>\$ 1,850</u>	<u>\$ 5,398</u>
<b>Security</b>			
699156 NB Ltd. (The Medicine Shoppe)	348 King Street	\$ -	\$ 2,500
King Street Pharmacy Inc.	348 King Street	888	-
SOT NLNB Inc.	440 King Street	3,000	-
Thompson & Hoyt Holdings Inc.	340 Brunswick Street	<u>1,076</u>	<u>-</u>
		<u>4,964</u>	<u>2,500</u>
		<u>\$ 60,265</u>	<u>\$ 82,476</u>

### Schedule 2

	<u>2020</u>	<u>2019</u>
<b>Festivals and special events</b>		
704686 NB Ltd.	\$ 500	\$ -
Atlantic Regional Firefighters	-	1,200
BAG / Calithumpians	1,250	-
Bard in the Barracks Inc.	-	2,000
Capital Arts Support	2,800	-
Civic Pride Committee	-	2,000
Dolan's Pub	500	-
Flourish Festival	800	2,000
Fredericton Arts Alliance	-	1,200
Fredericton Marathon	-	1,700
Fredericton Outdoor Theatre	11,750	13,000
Fredericton Region Museum	-	2,000
Fredericton Tattoo Expo	-	2,000
Hilton Garden Inn	475	-
Impulse Productions	-	1,500
NB Highland Games & Scottish Festival Inc.	-	2,500
New Brunswick Country Showcase	-	500
Notable Acts	1,500	2,000
Palate Restaurant	63	-
Shivering Songs	-	4,000
Theatre New Brunswick	-	1,500
The Capital Complex	1,000	-
The Cultural Market (Ace Ventures)	100	-
The Topsy Muse Cafe	260	-
	<u>\$ 20,998</u>	<u>\$ 37,100</u>

The notes to financial statements are an integral part of this statement.





349 King Street, Suite 1 | Fredericton, NB, E3B 1E4

506-458-8922 | [dfi@downtownfredericton.ca](mailto:dfi@downtownfredericton.ca) | [www.downtownfredericton.ca](http://www.downtownfredericton.ca)

