

DOWN TOWN • FREDERICTON •



ANNUAL REPORT 2022

ANNUAL REPORT 2022

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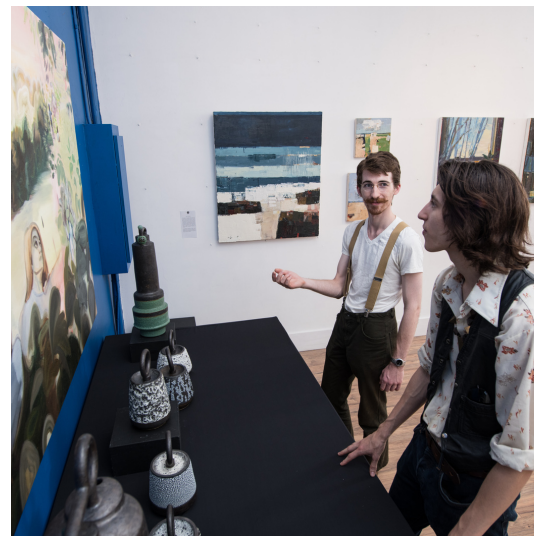
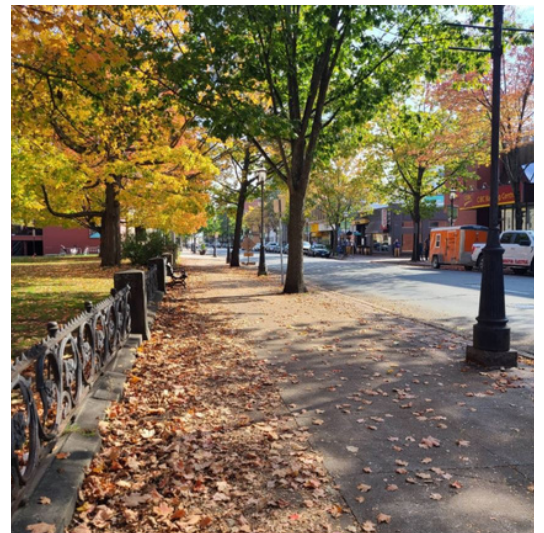
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PRESIDENT'S MESSAGE

Another year has come and gone, and the DFI Board has been working hard to support all the good things we have seen throughout our downtown.

We have seen festivals and events make a return, although there is still work to be done to get them back to pre-pandemic levels, but we know more growth is expected this year.

Each year we receive both new and recurring grant applications for festivals, proving that Downtown Fredericton is the best place to hold events in the city.

We have continued to support our members as they make improvements to their properties with our grant programs for security, facades, and parking lots.

There are so many things that we are very proud of in our downtown, but there have also been some trying times that have kept our board and staff busy this past year. We have all seen an increase of graffiti, nefarious activities, more people living rough in our downtown and the opening of a warming centre that presented multiple challenges to our members.

Communication with our partners and members of various levels of government has been key to working through our challenges. It is the property and business owners who are the life and breath of our downtown, and the DFI Board and Staff work every day to make sure your voice is heard to those who make decisions that impact both positively and

negatively all the good work that our members and partners do to create a vibrant, safe and clean downtown for our visitors, employees and all those who wish to live in and support our beautiful Downtown Fredericton.

I would like to thank the board for their time and commitment to the cause. Thank you to the staff, Vicki, Krista and Bruce for all your hard work. The work that you do is directly related to the success of our members.

I would also like to thank all of my fellow business owners and your employees for your resilience over the past few years. Your strength, passion and dedication to your businesses has defined our downtown, and it is a downtown I am proud to call home.

Mike Babineau
President
Downtown Fredericton Inc.



come alive,
DOWNTOWN



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 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).

Board of Directors and Staff 2022-2023

President

Mike Babineau

King West/RustiCo., Cora, The Palate

Vice President

Vanessa Grey

Cox & Palmer

Secretary

Bernie Holland

Assante Wealth Management

Treasurer

Chelsey Daley

Sequoia Fredericton

Staff

Bruce McCormack - General Manager

bruce@downtownfredericton.ca

506-461-8323

Vicki Stickles - Office Manager

vicki@downtownfredericton.ca

506-458-8922

Krista Rae - Marketing Officer

krista@downtownfredericton.ca

506-461-7484

Directors

Gabriel El Zayat

Bella Properties

Barry Morrison

Morrison Holdings

Marty Mockler

Property Owner

Patti Hollenberg

Chess Piece Patisserie

Shane Sutherland

S/S Tire & Auto

Germaine Pataki-Theriault

Gallery 78

Zach Atkinson

The Cap

Jason LeJeune

City of Fredericton

\$37,205
Festival &
Event Grants
26 Festivals and Events
Supported



PROGRAMS

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 per façade, maximum of two facades 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.

PROGRAMS

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 development level when problem areas have been identified.



Improvement Grants 2022



\$45,372 Façade
\$13,845 Security
\$10,272 Parking Lot

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. 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.

GENERAL MANAGER'S REPORT

As we take a look back, I can say that 2022 was the year for a fresh start on rebuilding and refreshing our downtown to what we once had seen as fun, vibrant, clean and safe. As we leave Covid -19 and its effects and impacts behind we can see the very bright side of a downtown and it's businesses that are striving to find a new normal.

2022 was a year to catch our breath and try to recover from covid before having to endure another summer of street closures and construction on Regent St. Fortunately for us the city agreed and put off major downtown construction until 2023.

We continue to work with the city on communication to members on upcoming construction in downtown especially the closure of Regent from King to George St. These closures are a tremendous stress on business. We have asked city staff (and will continue this conversation with Mayor Rogers), to advance the construction into a shorter time span than what has been previously planned. Utilizing any federal or provincial funding to shorten construction and finish the downtown before they go into the Platt. This would be huge for downtown.



Street Clean 2500 Crew Hours

**Garbage Removal
Banner Installation
Painting
Leaf Removal
Grass Trimming**



New in 2022 was the Tannery Music series and the Vintage Market on Thursday Nights. Funding was received by ACOA and DFI to help set up and operate the Music and Vintage Market from June until September. We are looking forward to this again in 2023. In cooperation with the City's Garrison Night Market, downtown Fredericton was a buzz with all the vendors, music, and entertainment.

With great support from the city and Minister Jill Green the provincial courthouse construction began on the the 500 block of King St.in what once was the address of the Rolling Keg Pub, The Brown Derby Tavern, Kentucky Fried Chicken and in earlier years the Dominion store. How things change.

Last year DFI was supporting the location of the new Performing Arts Centre on the corner of King and Regent St. After a lot of discussion and the city working hard with the property owner the announcement finally happened. Ken Forrest negotiated with Commercial Properties and the Board of the playhouse to make this

GENERAL MANAGER'S REPORT

site work. The designs have been introduced and continued planning on this site continues. We will see construction start in the fall.

So as we announced in 2021, DFI shared a plan working with the City Police and City IT department to install Public Safety Cameras throughout downtown. Finally, the vision became a reality with the support of city council, and we are now seeing these Public Safety Cameras installed. The city installed five and DFI are installing and paying for nine. This will be a great asset to keeping our city safe.

Opportunities will be forthcoming for property owners to be involved in this program with the goal to reach over one hundred and fifty cameras downtown. Charlottetown has been operating a similar program and now has over one hundred and eighty cameras.

Unfortunately, Graffiti was at an all-time high \$\$ in 2022. The removal costs are increasing but DFI is committed to reducing the defacing of valuable property. This major crime will be reduced with the aid of the Public Safety cameras. A great asset in helping the Police fight crime.

\$16,200
Graffiti
Removal



Homelessness, Mental Health, and drug addiction has been the most discussed topic in 2022 and continues in 2023. Keeping our Downtown Safe and Clean has a whole new meaning. We want you to know DFI and the city will continue to have meaningful discussions on this very sensitive topic, and we realize the impacts these issues have on businesses. We thank the mayor and city staff for the time and effort they have dedicated to this file.

Festivals and events have and will continue to play a vital role in increasing traffic to downtown. We are very pleased to see Harvest come back in a big way and can hardly wait to be back in Officers Square in 2023. Also, in 2023 the Highland Games will celebrate 40 years as a top Canadian festival. Major musical entertainers and events will surely increase the admissions to this event. Canada day will also be returning into downtown for 2023.

GENERAL MANAGER'S REPORT

NEW FOR 2023

City council supported hiring and operating the Community Public Safety Services unit – the contracted Garda Officers will be working from 6am to 1am, 7 days a week from now until November 17th. The areas they will concentrate on will be Downtown Fredericton, Business Fredericton North, and the mixed-use trails.

Their duties will include:

- Presence in the Business Improvement Areas (BIA's)
- Loitering, those living rough and panhandling in the downtown core(s)
- Establish relationships with BIA business owners
- Trail patrol – education on shared use trails and the benefits of helmet use, enforcement of motorized vehicles
- Identify and track graffiti
- Identify and report tent sites to Fredericton Police
- Serve as deterrent for random vandalism, theft and graffiti

DFI will continue to discuss ideas and opportunities and hopefully soon hear an announcement on the reuse of the Queen St Justice Building/Normal School. Hopefully we can use the stately grounds for more public events.

DFI will continue to hire additional staff to keep downtown clean, and work with the city Police and the IT department and our members in installing additional Public Safety Cameras.

DFI has agreed to financially participate with the city in a Parking Facility study that will

identify location and capacity needs.

We will continue our partnerships with the City, BFN, the Chamber, the Airport Authority and Ignite Fredericton.

I look forward to another exciting year. I would like to thank our President Mike Babineau for taking his valuable time along with the board members in guiding this organization through difficult times.

A huge thank you to Vicki and Krista who have continued to work in and around some very difficult situations, to maintain the quality service to our organization and our members of which we have become accustomed to.

Thank you,
Bruce McCormack
General Manager
Downtown Fredericton Inc.



MARKETING REPORT

2022 was a busy year as we worked to bring attention to Downtown Fredericton, encouraging visitation and spending as our businesses started their recovery from Covid-19.

FROSTival came at a time when restrictions were re-instated, so many planned events were cancelled. Downtown Fredericton was able to hold our annual Ice Sculpture Showcase despite restrictions.

We were thrilled to host the East Coast Music Awards in early May and were able to show off our downtown with banners on our lampposts produced by the ECMA's, and our businesses jumped into action, participating in a window decorating competition.

Summer seemed to arrive quickly as everyone was ready to shake off both Covid restrictions and the winter blues. Downtown Fredericton was hopping with music and events in the Tannery, our partnership with Fredericton Tourism to offer dining vouchers on Thursday nights, and the re-opening of the Beaverbrook Art Gallery.

During the summer we were able to do some fun advertising with new YouTube ads in addition to our normal array of digital and radio.

We welcomed new businesses opening in 2022, including Broken Record Bar and Music Room, The Squeeze, Roticana Coffee, Chess Piece Market and The Ten Spot. Sadly we also lost 3 businesses due to fire - Brewbakers, Namaste Bistro and Eighty Three Arcade Bar.



MARKETING REPORT

Downtown Dollars

\$279,915 Sold

\$263,070 Redeemed

\$100,000 Blowout
\$94,915 Walk-in purchases
\$85,000 Hotel Package Partnership

Sales of Downtown Dollars continued to be high throughout 2022. We've had a large increase of walk-in purchases since the beginning of the pandemic. The partnership with Fredericton Tourism for Hotel Packages continued in 2022, although the number of dollars sold to this promotion decreased slightly from 2021 (to be expected as holiday travel levels out again and the need for packaging decreased).



Fun Fact:

In 2022, we received a request from the Bank of Canada Museum for copies of our Downtown Dollars for a collection they were putting together of alternative forms of legal tender!

Traffic on our Social Media pages and to our website remain steady. Although Facebook has started to see an overall decline, our followers continue to use this stream regularly and we maintain over 14 thousand followers. Our Instagram page has reached over 10,000 followers, and it continues to grow as we push out relevant posts via images, reels and stories.

Website

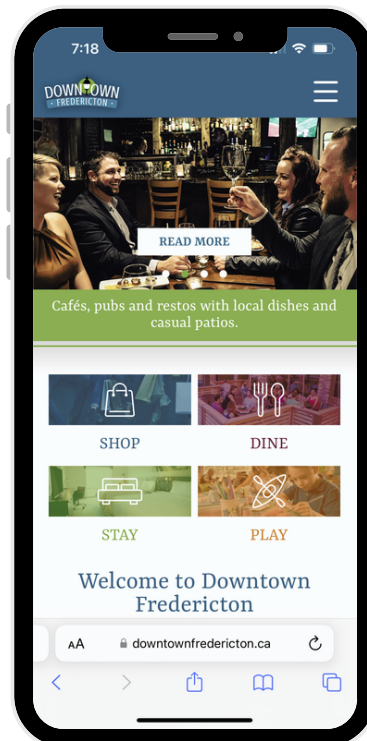
43,537 Sessions

36,339 Users

72,117 Page Views

Top 3 Pages Viewed:

1. Downtown Dollars
2. Where to Park
3. Businesses/Shop



As we continue to navigate both recovery from the pandemic and multiple hits to our business community, including staffing issues and inflation, we are working hard to keep our downtown Top of Mind as the premier place to Shop, Dine, Stay and Play in Fredericton.

Respectfully Submitted,
Krista Rae
Marketing and
Communications Coordinator

ANNUAL GENERAL MEETING



DOWNTOWN FREDERICTON INC.

Wednesday, May 25th, 2022
Crowne Plaza Hotel

IN ATTENDANCE:

Trevor Young
Samantha Young
Adrian Butts
Carson Butts
Giselle Goguen
Shasta Stairs
Trent Brewer
Jason LeJeune
Greg Ericson
Andrea Miller
Dave Traboulsee
Alex Scholten
Nadia Khoury
Will Pacey
Peter Pacey
Melanie Jones
Marty Mockler
Barry Morrison
Bernie Holland
Tom Hoyt
Cassandra LeBlanc

CALL TO ORDER AT 12:00PM

Will Pacey offered greetings and a land acknowledgement.

Greetings from City of Fredericton Deputy Mayor, Greg Ericson – welcome to the AGM for Downtown Fredericton. Picture of Brad Woodside brings back memories of stories, between the City and Downtown Fredericton and how we operate together. On behalf of colleagues on city council welcome to the AGM of Downtown Fredericton. Downtown businesses are vibrant, and proud of hurdles they have overcome. We will continue to support DFI, and we are working towards a new performing arts center in the downtown; also working with province to have a new justice building in the downtown. The city is listening to your needs, and we look forward to working with you in the future.

Bruce – we appreciate your partnership and continue working with you.

ANNUAL GENERAL MEETING

President – Mike Babineau – thank you everyone for coming today. Most proud of partnerships with city, great communication, relaying information to our great businesses we try and foster relationships with all departments within the city. Meetings are planned with engineering staff every year so we can better keep our business owners informed of existing and upcoming infrastructure projects.

DFI just announced that we will provide \$50,000 in funding to partner with the City Police to purchase and install several cameras downtown that we hope will have a direct impact in curbing vandalism and graffiti.

Our façade improvement program, security program, parking lot program all continue to be used with more improvements being made every year.

The downtown dollar program has shown record breaking numbers in 2021 with \$345,000 in sales and more than \$279,000 redeemed. This is money that all comes back to downtown businesses.

We look forward to next year, wish you all the best

Audited Financial Statements for 2021 – Melanie Jones – Nicholson and Beaumont Chartered Accountants

Financial statements are at the back of the report. Assets and liabilities as of dec 31, restricted and non-restricted. Accounts receivable, prepaid expenses, office equipment, website total assets - accounts

payable, downtown dollars sold and not redeemed yet. Interest free loan to be paid back Dec 31, 2023. Funds set aside, for severance reserve fund, another employee was added to this fund. Assets total \$646,867, liabilities total \$302,683, fund balances \$344,184, are there any questions on the balance sheet accounts or balances. No questions on the balance sheet.

Income statement – net loss for the year. All revenues and expenses from the 12-month period from January to December. The tax levy went down from the previous year, some property tax was decreased due to vacancies; total expenses were \$701,894, which leaves a new loss for the year of \$23,427. Salaries and benefits were decreased due to one maintenance employee not returning. Any questions or comments on the income statement. None received. Thank you

Bruce thanked Melanie for presenting the financial position of Downtown Fredericton Inc for the year ending 2021.

Motion to accept financial statements for 2021 as presented by Melanie Jones of Nicolson, Beaumont Accounting

**Moved by Alex Scholten
Seconded by Mike Babineau
All in favor, motion carried.**

Bruce McCormack – General Managers report

We are very fortunate Vicki has been with DFI for 23 years, and Krista for 6 years. DFI incorporated 1982, this year in October we will celebrate 40 years. Important we note that

ANNUAL GENERAL MEETING

cooperation and support with city staff. About 2 years ago, it was very evident that we needed support and work to be done to work with city staff on construction projects. The construction is looking great. This year there will be minimal impact to the downtown. Carleton Street and Queen Streets have power poles we would like to have removed. There will be some tree planting done and has already started.

Paving of Queen Street, from Regent to Westmorland Streets, more information will come out in the near future. The next meeting of our process will be in June, and the final details will be released.

Planning from 2022-2025, shows priorities that we feel are important to the development of the downtown. One item is a new parking garage. Bruce received call to start this process. Information will be exchanged between DFI and the city for a needs assessment. Performing arts center, announcement to come soon. Cleanliness in the downtown, we have a new maintenance person who started yesterday, and another, hopefully tomorrow, along with Gaston who has worked with DFI for 2 years.

Another priority is public safety cameras. This has gone to the public safety committee, DFI has put some money towards this priority for the downtown.

Knowledge Park has been a concern this year. All non-eligible businesses should not be allowed to have space in the knowledge park. Must have components that allow them to rent space in the knowledge park.

Enforcement of bylaws with police, by law enforcement officers, to keep scooters off sidewalks.

Thursday night market, now that covid is behind us somewhat, we are working with tourism for the June 9th beginning. Some businesses food and beverage with tourism, and DFI we have come up with a voucher worth \$10.00 for that evening only in one of the downtown restaurants. Extension of the activities downtown, including the Tannery Pops as a venue this year which will include music and entertainment.

Dinner on us program through tourism, downtown dollars in hotel packages. Last year there was \$128,000 downtown dollars used in this program.

Façade improvement program continues to grow and has great interest. Added a beautification program to our improvements; 50 % to a maximum of \$500.00.

The last couple of years have been a challenge



ANNUAL GENERAL MEETING



getting people back into the downtown. Events are coming back, and things are growing once again.

AWARDS

Façade Improvement Award:

Considerate Property Management Inc.

412 Queen Street, The Town Centre, was given a facelift. Application was for \$45,000 which we gave \$7,000 towards that. Carson and Adrian Betts from Considerate Management are present today to accept the award.

Mazzuca Award: Tom Hoyt

The Mazzuca Award- is awarded to a downtown business, business owner or individual in honor of their contribution and commitment to the character and spirit of Downtown Fredericton. Pleased to announce Tom Hoyt as this year's recipient of the Mazzuca award for his efforts in his role with the NB Country Showcase.

Nomination Report – Bruce McCormack

DFI has 11 directors, one named director for City of Fredericton who is Jason LeJeune and

his alternate is Cassandra LeBlanc. Mike Davis is now off board as he has served his 8 years.

Directors of the board:

Shane Sutherland
Barry Morrison
Gabriel El Zayat
Marty Mockler
Patti Hollenberg
Vanessa Gray
Germaine Pataki-Therriault
Bernie Holland
Chelsey Daley

Nomination put forth: Zach Atkinson, from the Cap. Bruce called for nominations from the floor, 3 times. Peter Pacey called for nominations to cease. Welcome to the DFI board of directors Zach Atkinson.

OTHER BUSINESS

Peter Pacey

Thanked Bruce, Vicki, and Krista for their dedication and hard work. Wishes more people could come out to these meetings.

Justice building and Playhouse should be saved. Both can be used for the greater good.

Thank you to Downtown Fredericton for supporting the Calithumpians for all these years. Planning to be back as usual with some great shows.

All of us need to support local, in every way.

**Motion to adjourn Peter Pacey
Seconded by Bernie Holland
All in favor, motion carried.**

Meeting adjourned 12:50pm

AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

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FINANCIAL STATEMENTS

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Statement of Changes In Net Assets

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Statement of Cash Flows

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Notes To The Financial Statements

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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, 2022 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, 2022, 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, 2022 there was a liability for Downtown Dollars totalling \$252,715 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



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 19, 2023


Chartered Professional Accountants

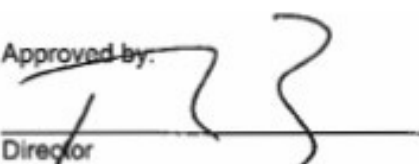
Downtown Fredericton Inc.

Statement of Financial Position

As at December 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Current		
Cash and cash equivalents	\$ 434,470	\$ 643,636
Cash - restricted	106,778	99,246
Accounts receivable	53,044	45,325
Prepaid expenses	<u>3,169</u>	<u>3,906</u>
	597,461	593,621
Property and equipment - Note 5	<u>42,131</u>	<u>53,246</u>
	<u>\$ 639,592</u>	<u>\$ 646,867</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 297,284	\$ 267,031
Government remittances	<u>6,696</u>	<u>5,652</u>
	<u>303,980</u>	<u>272,683</u>
Long-term		
CEBA loan - Note 6	-	30,000
Severance obligation - Note 7	<u>106,778</u>	<u>99,246</u>
	<u>106,778</u>	<u>129,246</u>
	<u>410,758</u>	<u>401,929</u>
Net assets		
Unrestricted net assets - Page 4	<u>228,834</u>	<u>244,938</u>
	<u>\$ 639,592</u>	<u>\$ 646,867</u>

Commitments - Note 8

Approved by: 
 Director

Downtown Fredericton Inc.

Statement of Changes in Net Assets

For the Year Ended December 31, 2022

Unrestricted net assets	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 244,938	\$ 268,365
Deficiency of revenues over expenditures	<u>(16,104)</u>	<u>(23,427)</u>
Balance, end of year	<u>\$ 228,834</u>	<u>\$ 244,938</u>

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

Downtown Fredericton Inc.

Statement of Operations

For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Revenue		
Business improvement area tax levy	\$ 675,675	\$ 674,779
Interest income	11,005	3,478
Miscellaneous income	<u>-</u>	<u>212</u>
	<u>686,680</u>	<u>678,467</u>
Expenditures		
Amortization	15,630	13,285
Bank charges	4,349	4,337
Business development	18,321	11,779
Festival and special event grants - Schedule 2	37,205	28,250
Grants - Schedule 1	69,489	88,005
Maintenance	28,043	18,832
Marketing and communications - Note 3	94,032	110,559
Occupancy and telephone	30,418	29,393
Office and postage	21,107	19,298
Professional fees	5,683	5,208
Retirement allowance	7,533	9,228
Salaries and benefits - Note 4	301,459	289,881
Sponsorship	26,217	27,000
Streetscape	<u>43,298</u>	<u>46,863</u>
	<u>702,784</u>	<u>701,894</u>
Deficiency of revenues over expenditures	<u>\$ (16,104)</u>	<u>\$ (23,427)</u>

Downtown Fredericton Inc.

Statement of Cash Flows

For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Increase (decrease) in cash and cash equivalents		
Operating		
Deficiency of revenues over expenditures	\$ (16,104)	\$ (23,427)
Amortization	<u>15,630</u>	<u>13,285</u>
	(474)	(10,182)
Changes in working capital		
Accounts receivable	(7,719)	(4,087)
Severance obligation	7,533	9,229
Prepaid expense	737	5,885
Accounts payable and accrued liabilities	30,253	68,358
Government remittance	<u>1,044</u>	<u>70</u>
	<u>31,374</u>	<u>69,313</u>
Financing Activities		
Payment of long-term debt	<u>(30,000)</u>	<u>-</u>
Investing Activities		
Purchase of property and equipment	<u>(4,516)</u>	<u>(23,137)</u>
Net increase (decrease) in cash and cash equivalents	(3,142)	46,176
Cash and cash equivalents - Beginning of year	<u>544,390</u>	<u>498,214</u>
Cash and cash equivalents - End of year	<u>\$ 541,248</u>	<u>\$ 544,390</u>
Cash consists of		
Cash	\$ 434,470	\$ 643,636
Cash - restricted	<u>106,778</u>	<u>(99,246)</u>
	<u>\$ 541,248</u>	<u>\$ 544,390</u>

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

Downtown Fredericton Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2022

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. Summary of significant 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
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 is defined as cash on hand, cash on deposit and short-term deposits with maturity dates of less than one year, net of cheques issued and outstanding at the reporting date.

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.

Downtown Fredericton Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2022

2. Summary of significant accounting policies - continued

Financial instruments

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for investments which are measured at fair value. The difference between the cost base and fair market value of the investments is reported as unrealized gain/loss on investments in the statement of operations.

With respect to financial assets measured at amortized cost, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, in the expected timing or amount of future cash flows from the financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

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>2022</u>	<u>2021</u>
General advertising and marketing	\$ 38,704	\$ 50,379
Seasonal promotions	43,861	45,534
Printing costs	4,977	4,885
Outside services	<u>6,490</u>	<u>9,981</u>
	<u>\$ 94,032</u>	<u>\$ 110,559</u>

4. Salaries and benefits

	<u>2022</u>	<u>2021</u>
Salaries - full-time	\$ 251,008	\$ 243,982
Salaries - summer/part-time	17,001	11,499
Benefits	<u>33,450</u>	<u>34,400</u>
	<u>\$ 301,459</u>	<u>\$ 289,881</u>

Downtown Fredericton Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2022

5. Property and equipment

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	
			<u>2022</u>	<u>2021</u>
Office furniture and equipment	\$ 91,248	\$ 85,397	\$ 5,851	\$ 7,314
Computer equipment	46,910	45,624	1,286	2,857
Signs	20,452	17,968	2,484	2,760
Banners	109,428	82,632	26,796	30,461
Website	12,568	6,854	5,714	7,619
Poster boards	11,427	11,427	-	2,235
	<u>\$ 292,033</u>	<u>\$ 249,902</u>	<u>\$ 42,131</u>	<u>\$ 53,246</u>

6. CEBA loan

During 2020, the Organization had 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, \$10,000 was forgivable if the \$30,000 was paid by December 31, 2023. The \$30,000 was paid off during the current year, the \$10,000 forgiven portion had been recognized as government assistance in the statement of operations in the 2020 year.

7. Severance obligation

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.

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, 2022.

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.

10. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Downtown Fredericton Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2022

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>2022</u>	<u>2021</u>
Facade			
11 Mile Food Co.	79 York Street	\$ -	\$ 619
516244 NB Ltd.	366-368 Queen Street	-	1,450
540 Restaurant & Bar	540 Queen Street	2,600	-
671617 NB Ltd.	546 King Street	-	6,743
Andal Properties Ltd.	349 King Street	3,500	-
Chess Piece Patisserie & Cafe	361 Queen Street	-	3,500
Chippin's Limited	89 York Street	-	7,000
Considerate Property Mgmt.	412 Queen Street	-	7,000
Dolan's Pub	349 King St	1,191	-
Dos Toros Tacquerie Inc.	526 Queen Street	-	692
Elle Mio	85 York St	1,173	-
Endeavours & ThinkPlay	141 Brunswick Street	2,933	7,000
Foothill Enterprises Ltd.	82-90 Regent Street	-	2,500
Gallery 78	796 Queen Street	5,500	-
Holland / Alderman Holdings Inc.	124 St. John Street	-	3,500
Klub Khrono Inc.	375 King Street	3,500	-
Majestany Institute	120 Westmorland Street	-	3,500
Morrison Holdings Ltd.	346 Queen Street	7,000	-
Ninety-Nine Corporation	459 King Street	2,475	7,000
O'Hickey's Irish Pub	514 Queen Street	2,750	-
Regent Holdings Ltd.	593 King Street	-	6,160
RustiCo./King West Brewing Company	304 King Street	3,500	-
S/S Tire and Auto	315 Brunswick Street	3,500	-
Savages Bicycle Center	441 King Street	3,500	3,500
The Artisan District	610 Queen Street	-	760
The Cap	362 Queen Street	-	900
The Dandy Paint Lounge	385 Mazzuca Lane	-	1,095
The Nest Yoga	440 Kings Place Mall	-	1,663
The Ten Spot	343 Queen Street	2,250	-
Urban Threadz	103 Church Street	-	6,559
Wasted Fashion	72 York Street	-	1,933
		<u>\$ 45,372</u>	<u>\$ 73,074</u>

Downtown Fredericton Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2022

		<u>2022</u>	<u>2021</u>
Parking lot improvement			
Andal Properties Ltd.	349 King Street	\$ 2,500	\$ 2,500
Chevro Holdings	225 King Street	-	2,400
Chippin's Limited	89 York Street	-	687
Gramko Properties	348 King Street	2,500	-
S/S Tire and Auto	315 Brunswick Street	550	-
Savages Bicycle Center	441 King Street	-	90
Taymax Corp	400 King Street	1,472	-
The Radical Edge	386 Queen Street	750	-
Urban Threadz	103 Church Street	2,500	-
		<u>\$ 10,272</u>	<u>\$ 5,677</u>
Security			
638953 NB Inc.	418 Queen Street	\$ 1,926	\$ -
690156 NB Inc.	348 King Street	4,107	-
Chevro Holdings.	225 King Street	-	1,635
Dos Toros Tacquerie Inc.	526 Queen Street	-	498
Endeavours, The Artist Shop	141 Brunswick Street	-	3,000
Fredericton Region Museum	571 Queen Street	3,000	-
JB Real Estate Ltd.	212 Queen Street	-	581
Joseph Wilby Law	57 Carleton Street	1,665	540
Morinco Holdings Ltd.	494 Queen Street	-	3,000
The Capital Bar	362 Queen Street	2,198	-
The Real Estate Board of Fredericton	544 Brunswick Street	949	-
		<u>\$ 13,845</u>	<u>\$ 9,254</u>
		<u>\$ 69,489</u>	<u>\$ 88,005</u>

Schedule 2

		<u>2022</u>	<u>2021</u>
Festivals and special events			
Bard in the Barracks Inc.		\$ 1,200	\$ -
Broken Record Bar		600	-
Calithumpians		10,000	5,000
Capital Arts Support		2,500	-
Caribbean Flava's		600	-
City of Fredericton		-	7,500
Dimitris Souvlaki Restaurant		200	-
East Coast Music Association		6,000	-
Flourish Festival		2,000	1,250
Frantically Atlantic Entertainment		-	500
Fredericton Arts Alliance		1,200	1,200
Fredericton Marathon		1,700	1,700
Fredericton Outdoor Theatre		-	5,000
Gallery 78		305	-
Gallery on Queen		600	-
Hilton Garden Inn		400	-
Ken Kelly		-	1,500
Multicultural Association of Fredericton Inc.		2,000	1,000
NB Highland Games & Scottish Festival Inc.		2,500	-
Nashwaaksis Kinsman Club (Santa Claus Parade)		-	1,000
New Brunswick Country Showcase		700	300
Notable Acts		2,300	2,300
Par 94 Golf		200	-
Shivering Songs		1,000	-
St. Louis Bar and Grill		600	-
The Topsy Muse Cafe		600	-
		<u>\$ 37,205</u>	<u>\$ 28,250</u>