

**DOWNTOWN MONCTON  
CENTRE-VILLE INC.**

Financial Statements  
For the year ended  
December 31, 2024

# **DOWNTOWN MONCTON CENTRE-VILLE INC.**

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For the year ended December 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

### To the members of Downtown Moncton Centre-Ville Inc.

#### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the financial statements of Downtown Moncton Centre-Ville Inc., which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at December 31, 2024, and its its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit s (ASNPO).

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITOR'S REPORT, continued

### *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 skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

*Greene CPA*

### **CHARTERED PROFESSIONAL ACCOUNTANTS**

Moncton, NB

March 18, 2025

**DOWNTOWN MONCTON CENTRE-VILLE INC.**  
**Statement of Financial Position**

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As at December 31,	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 115,242	\$ 191,398
Accounts receivable (note 3)	262,921	64,856
Prepaid expenses	597	597
	<b>378,760</b>	256,851
<b>Capital assets (note 4)</b>	<b>182,859</b>	134,679
<b>Restricted cash (note 5)</b>	<b>115,058</b>	103,277
	<b>\$ 676,677</b>	\$ 494,807
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 21,332	\$ 12,848
Due to the Province of New Brunswick	175,939	57,159
Current portion of long-term debt	15,162	-
	<b>212,433</b>	70,007
<b>Long-term debt (note 6)</b>	<b>48,244</b>	-
	<b>260,677</b>	70,007
<b>NET ASSETS</b>		
Unrestricted	<b>118,082</b>	186,844
Invested in capital assets	<b>182,860</b>	134,679
Internally restricted	<b>115,058</b>	103,277
	<b>416,000</b>	424,800
	<b>\$ 676,677</b>	\$ 494,807

**COMMITMENTS (note 7)**

Signed on Behalf of the Board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

See accompanying notes

**DOWNTOWN MONCTON CENTRE-VILLE INC.**  
**Statement of Changes in Net Assets**

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For the year ended December 31,

	Unrestricted	Invested in capital assets	Internally restricted	Total 2024	Total 2023
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 186,844	\$ 134,679	\$ 103,277	\$ <b>424,800</b>	\$ 489,464
(Deficiency) excess of revenues over expenditures	107,001	(35,282)	(80,519)	<b>(8,800)</b>	(64,664)
Investments in capital assets	(83,463)	83,463	-	-	-
Transfer to restricted funds	(92,300)	-	92,300	-	-
<b>BALANCE, END OF YEAR</b>	\$ <b>118,082</b>	\$ <b>182,860</b>	\$ <b>115,058</b>	\$ <b>416,000</b>	\$ 424,800

See accompanying notes

**DOWNTOWN MONCTON CENTRE-VILLE INC.**  
**Statement of Operations**

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For the year ended December 31,	<b>2024 Budget</b>	2024 Actual	2023 Actual
<b>REVENUES</b>			
Special levy	\$ 946,000	\$ 930,424	\$ 923,765
Program Income, Schedule 1	660,514	893,569	407,960
Interest income	15,000	23,410	28,027
	<b>1,621,514</b>	<b>1,847,403</b>	<b>1,359,752</b>
<b>EXPENDITURES</b>			
Amortization	40,000	35,282	28,947
Bad debts (recovered)	1,000	(414)	7,672
Interest on long-term debt	-	6,354	-
Meetings and hospitality	15,000	20,762	19,441
Office	52,000	48,253	52,402
Professional fees	15,000	13,477	10,898
Rent	34,500	38,790	39,703
Salaries and related benefits	450,000	391,957	292,916
Stakeholder Services, Schedule 2	898,414	1,190,642	871,759
Telephone	8,000	8,659	11,092
Travel	25,000	19,841	31,586
	<b>1,538,914</b>	<b>1,773,603</b>	<b>1,366,416</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE CONTRIBUTION TO DOWNTOWN EVENTS CENTER</b>	<b>82,600</b>	<b>73,800</b>	<b>(6,664)</b>
<b>Contribution to Downtown Events Center</b>	<b>82,600</b>	<b>82,600</b>	<b>58,000</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES FOR THE YEAR</b>	<b>\$ -</b>	<b>\$ (8,800)</b>	<b>\$ (64,664)</b>

See accompanying notes

**DOWNTOWN MONCTON CENTRE-VILLE INC.**  
**Statement of Cash Flows**

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For the year ended December 31,	2024	2023
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures for the year	\$ (8,800)	\$ (64,664)
Adjustment for		
Amortization	35,282	28,947
	<b>26,482</b>	<b>(35,717)</b>
Change in non-cash working capital items		
Term deposits	-	61,092
Accounts receivable	(198,065)	16,496
Accounts payable and accrued liabilities	8,485	(4,915)
Due to the Province of New Brunswick	118,780	22,009
	<b>(44,318)</b>	<b>58,965</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of loan payable	-	(40,000)
Proceeds of long-term debt	75,453	-
Repayment of long-term debt	(12,047)	-
	<b>63,406</b>	<b>(40,000)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(83,463)	(37,781)
Restricted cash	(11,781)	(26,701)
	<b>(95,244)</b>	<b>(64,482)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(76,156)</b>	<b>(45,517)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>191,398</b>	<b>236,915</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 115,242</b>	<b>\$ 191,398</b>

See accompanying notes



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For the year ended December 31, 2024

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**1. STATUS AND NATURE OF ACTIVITIES**

Downtown Moncton Centre-Ville Inc. is the representative agency for all businesses located within the Moncton Business Improvement Area which includes the merchants in the Main Street and St. George Street business areas. The Corporation is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

**Revenue recognition**

Special levy, program income, interest income and loan forgiveness is recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions received for capital purposes are recognized as an increase to the capital surplus in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Cash and cash equivalents**

For the purpose of the statement of cash flows, the Corporation considers cash on hand and balances with banks, net of overdrafts, and highly liquid temporary money market instruments with original maturities of three months or less as cash equivalents. Bank borrowings are considered to be financing activities.

Cash and cash equivalents are composed of bank account balances.

**Capital assets**

Rates and bases of depreciation applied to write-off the cost less estimated salvage value of property and equipment over their estimated lives are as follows:

Vehicles	20% Declining balance
Furniture and fixtures	20% Declining balance
Christmas lights	20% Declining balance
Robinson court improvements	20% Declining balance
Bike racks and side walk clusters	20% Declining balance
Sidewalk sweeper	20% Declining balance

For the year ended December 31, 2024

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**Measurement uncertainty**

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: allowance for doubtful accounts and estimated useful lives of capital assets. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**Financial instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

**3. ACCOUNTS RECEIVABLE**

	2023 and prior levy arrears	2024 levy arrears	HST and other receivables	2024	2023
Receivables	\$ 15,511	\$ 144,131	\$ 110,953	\$ 270,596	\$ 75,820
Allowance for doubtful accounts	(7,675)	-	-	(7,675)	(10,964)
	<u>\$ 7,836</u>	<u>\$ 144,131</u>	<u>\$ 110,953</u>	<u>\$ 262,921</u>	<u>\$ 64,856</u>

included in HST and other receivables is \$84,236 from the City of Moncton related to Enviro Team funding.

**DOWNTOWN MONCTON CENTRE-VILLE INC.**  
**Notes to the Financial Statements**

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For the year ended December 31, 2024

**4. CAPITAL ASSETS**

	<b>2024</b>			<b>2023</b>	
	Cost	Accumulated amortization	Net	Net	
Vehicles	\$ 83,463	\$ 8,347	\$ <b>75,116</b>	\$ -	
Furniture and fixtures	156,815	131,684	<b>25,131</b>	31,413	
Christmas lights	484,952	408,895	<b>76,057</b>	95,071	
Robinson court improvements	43,318	42,739	<b>579</b>	724	
Bike racks and side walk clusters	31,664	28,766	<b>2,898</b>	3,623	
Sidewalk sweeper	49,767	46,689	<b>3,078</b>	3,848	
	<b>\$ 849,979</b>	<b>\$ 667,120</b>	<b>\$ 182,859</b>	<b>\$ 134,679</b>	

**5. RESTRICTED CASH**

	<b>2024</b>	<b>2023</b>
Restricted for Downtown Events Centre	\$ 115,058	\$ 103,277

The Corporation has chosen to set aside certain funds for its commitment to the Downtown Events Centre.

**DOWNTOWN MONCTON CENTRE-VILLE INC.**  
**Notes to the Financial Statements**

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For the year ended December 31, 2024

**6. LONG-TERM DEBT**

	2024	2023
Scotiabank		
Loan bearing interest at 9.99% per annum, repayable in bi-weekly payments of \$400 including interest, until January 2028. The loan is secured by a vehicle with a carrying value of \$34,648	\$ 27,903	\$ -
Loan bearing interest at 9.49% per annum, repayable in bi-weekly payments of \$400 including interest, until January 2029. The loan is secured by a vehicle with a carrying value of \$40,468.	35,503	-
	<b>63,406</b>	-
Less current portion	15,162	-
	<b>\$ 48,244</b>	\$ -
Estimated principal repayments are as follows:		
2025	\$ 15,162	
2026	16,920	
2027	18,649	
2028	11,115	
2029	1,560	
	<b>\$ 63,406</b>	

**7. COMMITMENTS**

The Corporation has committed to contribute \$3,750,000 to be paid in non-consecutive instalments over a period not to exceed 30 years, towards the construction costs of the Downtown Events Centre. As of December 31, 2024, the Corporation has contributed \$521,600 and \$3,228,400 remains outstanding.

The Corporation entered into a five-year lease in May 2021 for office space for \$14,270 annually plus a proportionate share of operating costs.

The Corporation entered into a ten-year lease in December 2023 for storage space for \$3,542 monthly in year one to four, \$3,757 monthly in year five to ten.

The Corporation has made a commitment to help fund the YMCA ReConnect program at \$50,000 for 2025.

For the year ended December 31, 2024

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**8. BANK INDEBTEDNESS**

The Corporation has an established line of credit, to a maximum of \$40,000, with interest at prime plus 1.25%, all of which is unused as of December 31, 2024.

As security for the line of credit, the Corporation has pledged a general security agreement and assignment of receivables.

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**9. FINANCIAL INSTRUMENTS**

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of December 31, 2024.

(a) Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Corporation is not exposed to significant market risk.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from property owners on assessed levies. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has receivables from a significant number of property owners which minimizes concentration of credit risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from property owners, the government and other related sources, and accounts payable. The Corporation mitigates this risk with an established line of credit.

For the year ended December 31, 2024

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**10. ECONOMIC DEPENDENCE**

The Corporation's special levy revenue is dependent on the approval of the levy rate by its non-residential users (stakeholders) as well as approval by the municipal council of its operating budget for the year.

The municipal council shall not approve a budget unless it publishes a notice disclosing the following information at least once weekly for two weeks in a newspaper having general circulation within the municipality disclosing the following information:

- its intention to approve the budget;
- the extent of the levy needed to implement the budget; and
- the period during which objections (by stakeholders) may be made.

A by-law must be enacted by Council each year to implement the levy on all non-residential properties within the BIA.

If the council does not approve a budget for any year, no levy shall be imposed in that year and the by-law made with respect to that business improvement area shall be deemed to be repealed as of January 1 of that year. The Corporation would therefore not receive the special levy revenue and it is management's opinion that continued viable operations would be doubtful.

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**DOWNTOWN MONCTON CENTRE-VILLE INC.**  
**Schedules to the Financial Statements**

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For the year ended December 31,

<b>SCHEDULE OF PROGRAM INCOME</b>	<b>Schedule 1</b>		
	<b>2024 Budget</b>	2024 Actual	2023 Actual
<b>City of Moncton - services rendered</b>			
Light display	\$ 41,014	\$ 93,280	\$ 38,458
Downtown maintenance	-	-	17,000
Ambassador program	25,000	25,000	25,000
Enviro team project	380,000	514,632	240,000
	<b>446,014</b>	632,912	320,458
<b>Government funding</b>			
Downtown Improvements	32,000	31,430	12,580
Summer student program	25,000	28,751	27,120
Other provincial and government grants	-	16,398	-
	<b>57,000</b>	106,579	39,700
<b>Other</b>			
Buskers festival	150,000	113,804	26,430
Downtown Atlantic Canada AGM	-	32,073	-
Other	7,500	8,201	4,336
Street painting festival	-	-	17,030
	<b>157,500</b>	154,078	47,796
	<b>\$ 660,514</b>	\$ 893,569	\$ 407,960

**DOWNTOWN MONCTON CENTRE-VILLE INC.**  
**Schedules to the Financial Statements**

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For the year ended December 31,

**SCHEDULE OF STAKEHOLDER SERVICES**

**Schedule 2**

	<b>2024 Budget</b>	2024 Actual	2023 Actual
Summer student program	\$ 15,000	\$ 39,870	\$ 34,354
Annual meeting	5,000	3,625	5,163
ReConnect Program	25,000	25,000	25,000
Christmas lights	55,000	108,934	103,075
Christmas promotion	-	-	2,883
Downtown development	97,414	128,274	68,352
Enviro team project	405,000	558,717	329,986
Downtown gift cards	30,000	34,194	27,386
General advertising	51,000	43,316	33,703
Security	25,000	25,000	25,000
Special events	170,000	209,499	174,804
Street banners	10,000	5,561	28,001
Website	10,000	8,652	14,052
	<b>\$ 898,414</b>	<b>\$ 1,190,642</b>	<b>\$ 871,759</b>