

**DOWNTOWN MONCTON
CENTRE-VILLE INC.**

Financial Statements
For the year ended
December 31, 2025

DOWNTOWN MONCTON CENTRE-VILLE INC.

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For the year ended December 31, 2025

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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, 2025, 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, 2025, 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
April 7, 2026

DOWNTOWN MONCTON CENTRE-VILLE INC.
Statement of Financial Position

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As at December 31,	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 106,318	\$ 115,242
Term deposits	25,000	-
Accounts receivable (note 3)	247,615	262,921
Prepaid expenses	597	597
	379,530	378,760
Capital assets (note 4)	162,277	182,859
Restricted cash (note 5)	127,061	115,058
	\$ 668,868	\$ 676,677
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 26,448	\$ 21,332
Due to the Province of New Brunswick	138,997	175,939
Current portion of long-term debt	16,920	15,162
	182,365	212,433
Long-term debt (note 6)	31,137	48,244
	213,502	260,677
NET ASSETS		
Unrestricted	166,118	118,082
Invested in capital assets	162,277	182,860
Internally restricted	126,971	115,058
	455,366	416,000
	\$ 668,868	\$ 676,677

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 2025	Total 2024
BALANCE, BEGINNING OF YEAR	\$ 118,082	\$ 182,860	\$ 115,058	\$ 416,000	\$ 424,800
Excess (deficiency) of revenues over expenditures	181,500	(51,047)	(91,087)	39,366	(8,800)
Investments in capital assets	(30,464)	30,464	-	-	-
Transfer to restricted funds	(103,000)	-	103,000	-	-
BALANCE, END OF YEAR	\$ 166,118	\$ 162,277	\$ 126,971	\$ 455,366	\$ 416,000

See accompanying notes

DOWNTOWN MONCTON CENTRE-VILLE INC.
Statement of Operations

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For the year ended December 31,	2025 Budget	2025 Actual	2024 Actual
REVENUES			
Special levy	\$ 981,749	\$ 963,667	\$ 930,424
Program Income, Schedule 1	657,945	776,737	893,569
Interest income	15,000	12,126	23,410
	1,654,694	1,752,530	1,847,403
EXPENDITURES			
Amortization	31,000	51,047	35,282
Bad debts (recovered)	1,000	(2,309)	(414)
Interest on long-term debt	-	5,450	6,354
Meetings and hospitality	20,000	17,619	20,762
Office	56,000	48,222	48,253
Professional fees	15,000	25,171	13,477
Rent	38,000	41,572	38,790
Salaries and related benefits	436,000	452,588	391,957
Stakeholder Services, Schedule 2	962,694	953,570	1,190,642
Telephone	10,000	7,157	8,659
Travel	30,000	21,077	19,841
	1,599,694	1,621,164	1,773,603
EXCESS OF REVENUES OVER EXPENDITURES BEFORE CONTRIBUTION TO DOWNTOWN EVENTS CENTER	55,000	131,366	73,800
Contribution to Downtown Events Center	55,000	92,000	82,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ -	\$ 39,366	\$ (8,800)

See accompanying notes

DOWNTOWN MONCTON CENTRE-VILLE INC.
Statement of Cash Flows

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For the year ended December 31,	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures for the year	\$ 39,366	\$ (8,800)
Adjustment for Amortization	51,047	35,282
	90,413	26,482
Change in non-cash working capital items		
Term deposits	(25,000)	-
Accounts receivable	15,306	(198,065)
Accounts payable and accrued liabilities	5,115	8,485
Due to the Province of New Brunswick	(36,942)	118,780
	48,892	(44,318)
FINANCING ACTIVITIES		
Proceeds of long-term debt	-	75,453
Repayment of long-term debt	(15,349)	(12,047)
	(15,349)	63,406
INVESTING ACTIVITIES		
Purchase of capital assets	(30,464)	(83,463)
Restricted cash	(12,003)	(11,781)
	(42,467)	(95,244)
DECREASE IN CASH AND CASH EQUIVALENTS	(8,924)	(76,156)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	115,242	191,398
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 106,318	\$ 115,242

See accompanying notes

For the year ended December 31, 2025

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.

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, 2025

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

	2024 and prior levy arrears	2025 levy arrears	HST and other receivables	2025	2024
Receivables	\$ 112,117	\$ 110,455	\$ 30,100	\$ 252,672	\$ 270,596
Allowance for doubtful accounts	(5,057)	-	-	(5,057)	(7,675)
	\$ 107,060	\$ 110,455	\$ 30,100	\$ 247,615	\$ 262,921

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

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For the year ended December 31, 2025

4. CAPITAL ASSETS

	2025			2024
	Cost	Accumulated amortization	Net	Net
Vehicles	\$ 100,403	\$ 25,063	\$ 75,340	\$ 75,116
Furniture and fixtures	42,813	25,153	17,660	25,131
Christmas lights	261,129	191,852	69,277	76,057
Robinson court improvements	-	-	-	579
Bike racks and side walk clusters	-	-	-	2,898
Sidewalk sweeper	-	-	-	3,078
	\$ 404,345	\$ 242,068	\$ 162,277	\$ 182,859

5. RESTRICTED CASH

	2025	2024
Restricted for Downtown Events Centre	\$ 127,061	\$ 115,058

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, 2025

6. LONG-TERM DEBT

	2025	2024
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 \$27,719.	\$ 19,915	\$ 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 \$32,375.	28,142	35,503
	48,057	63,406
Less current portion	16,920	15,162
	\$ 31,137	\$ 48,244
Estimated principal repayments are as follows:		
2026	\$ 16,920	
2027	18,650	
2028	11,114	
2029	1,373	
	\$ 48,057	

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, 2025, the Corporation has contributed \$613,600 and \$3,136,400 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 2026.

8. RELATED PARTY TRANSACTIONS

The Corporation is related to one of its directors, who also serves as Treasurer. The Corporation leases office space from an entity in which this director holds a key management position. These transactions occurred in the normal course of operations and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

For the year ended December 31, 2025

9. 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, 2025.

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

10. 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, 2025.

(a) 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.

(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 is exposed to a concentration of credit risk, as 88.4% of 2024 and prior levy arrears and 73.7% of 2025 levy arrears are from a single property owner.

(c) 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.

For the year ended December 31, 2025

11. 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.

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

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For the year ended December 31,

SCHEDULE OF PROGRAM INCOME	Schedule 1		
	2025 Budget	2025 Actual	2024 Actual
City of Moncton - services rendered			
Light display	\$ 42,945	\$ 157,946	\$ 93,280
Ambassador program	25,000	25,000	25,000
Enviro team project	465,000	434,342	514,632
Accent program	-	13,500	7,500
	532,945	630,788	640,412
Government funding			
Downtown Improvements	-	17,499	61,430
Summer student program	-	14,704	28,751
Other provincial and government grants	25,000	23,261	16,398
	25,000	55,464	106,579
Other			
Buskers festival	100,000	90,485	113,804
Downtown Atlantic Canada AGM	-	-	32,073
Other	-	-	701
	100,000	90,485	146,578
	\$ 657,945	\$ 776,737	\$ 893,569

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

	2025 Budget	2025 Actual	2024 Actual
Summer student program	\$ 25,000	\$ 28,239	\$ 39,870
Annual meeting	5,000	1,682	3,625
ReConnect Program	25,000	25,000	25,000
Christmas lights	50,000	157,945	108,934
Downtown development	49,694	21,977	128,274
Enviro team project	465,000	456,820	558,717
Downtown gift cards	35,000	22,860	34,194
General advertising	45,000	41,599	43,316
Security	25,000	25,000	25,000
Special events	217,000	159,739	209,499
Street banners	10,000	1,826	5,561
Website	11,000	10,883	8,652
	\$ 962,694	\$ 953,570	\$ 1,190,642