

*Audited Financial Statements of*

**ENVISION SAINT JOHN: THE REGIONAL  
GROWTH AGENCY**

*December 31, 2022*

## **Independent Auditors' Report**

To the Board of Directors of Envision Saint John: The Regional Growth Agency

### **Opinion**

We have audited the accompanying financial statements of Envision Saint John: The Regional Growth Agency (the "Agency"), which comprise the statement of financial position as at December 31, 2022 and the statements of changes in net assets, operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2022, and the results of its operations and cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

### **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 Agency 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 organization as described in Note 2 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 Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' 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 Agency'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 Agency'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 Agency 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.

Beers Neal PC

Chartered Professional Accountants  
Saint John, New Brunswick  
April 27, 2023

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

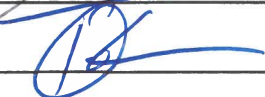
Statement of Financial Position  
as at December 31, 2022

|  | Operational<br>Fund | Restricted<br>Impact Loan<br>Fund | Land Bank<br>Fund | 2022         | 2021         |
|--|---------------------|-----------------------------------|-------------------|--------------|--------------|
| <b>CURRENT ASSETS</b>                                  |                     |                                   |                   |              |              |
| Cash   | \$ 2,155,925        | \$ 982,054                        | \$ 660,290        | \$ 3,798,269 | \$ 2,144,981 |
| Receivables (Note 4)                                   | 619,313             | -                                 | -                 | 619,313      | 628,510      |
| Interfund receivables                                  | -                   | -                                 | -                 | -            | 528,940      |
| Prepays  | 96,209              | -                                 | -                 | 96,209       | 32,457       |
| Current portion of impact<br>loans receivable (Note 5) | -                   | 251,684                           | -                 | 251,684      | 306,107      |
|  | 2,871,447           | 1,233,738                         | 660,290           | 4,765,475    | 3,640,995    |
| <b>IMPACT LOANS RECEIVABLE</b> (Note 5)                | -                   | 360,548                           | -                 | 360,548      | 555,043      |
| <b>CAPITAL ASSETS</b> (Note 6)                         | 52,582              | -                                 | -                 | 52,582       | 58,632       |
|  | \$ 2,924,029        | \$ 1,594,286                      | \$ 660,290        | \$ 5,178,605 | \$ 4,254,670 |
| <b>CURRENT LIABILITIES</b>                             |                     |                                   |                   |              |              |
| Payables   | \$ 647,153          | \$ -                              | \$ -              | \$ 647,153   | \$ 153,917   |
| Deferred revenue - operations                          | 207,501             | -                                 | -                 | 207,501      | 5,000        |
| Deferred revenue - projects                            | 2,381               | -                                 | -                 | 2,381        | 50,990       |
| Interfund payables                                     | -                   | -                                 | -                 | -            | 528,940      |
|  | 857,035             | -                                 | -                 | 857,035      | 738,847      |
| <b>FUND BALANCES</b>                                   | 2,066,994           | 1,594,286                         | 660,290           | 4,321,570    | 3,515,823    |
|  | \$ 2,924,029        | \$ 1,594,286                      | \$ 660,290        | \$ 5,178,605 | \$ 4,254,670 |

Notes 9 and 12

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

## Statement of Changes in Net Assets year ended December 31, 2022

|  | <u>Operational<br/>Fund</u> | <u>Restricted<br/>Impact Loan<br/>Fund</u> | <u>Land Bank<br/>Fund</u> | <u>2022</u>  | <u>2021</u>  |
|--|-----------------------------|--|---------------------------|--------------|--------------|
| Balance, beginning of year             | \$ 1,250,778                | \$ 1,607,459                               | \$ 657,586                | \$ 3,515,823 | \$ -         |
| Excess of revenues over expenditures   | 816,216                     | (13,173)                                   | 2,704                     | 805,747      | 3,515,823    |
| Transfer to strategic growth reserve   | (600,000)                   | -  | -                         | (600,000)    | -            |
| Strategic growth funds held in reserve | 600,000                     | -  | -                         | 600,000      | -            |
| Balance, end of year                   | \$ 2,066,994                | \$ 1,594,286                               | \$ 660,290                | \$ 4,321,570 | \$ 3,515,823 |

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

## Statement of Operations year ended December 31, 2022

|  | Operational<br>Fund | Restricted<br>Impact Loan<br>Fund | Land Bank<br>Fund | 2022              | 2021                |
|--|---------------------|-----------------------------------|-------------------|-------------------|---------------------|
| <b>Revenues</b>  |                     |                                   |                   |                   |                     |
| Government funding (Schedule I)                              | \$ 3,265,473        | \$ -                              | \$ -              | \$ 3,265,473      | \$ 3,309,692        |
| Destination marketing fees                                   | 1,151,220           | -                                 | -                 | 1,151,220         | 556,130             |
| Impact loan contributions                                    | -                   | -                                 | -                 | -                 | 1,615,334           |
| Impact loan interest   | -                   | 29,147                            | -                 | 29,147            | 38,275              |
| Land bank contributions                                      | -                   | -                                 | -                 | -                 | 664,622             |
| Land bank interest (expense)                                 | -                   | -                                 | 2,704             | 2,704             | (7,036)             |
| Other (Note 7)   | 141,546             | -                                 | -                 | 141,546           | 312,350             |
| Projects (Note 8)  | 936,710             | -                                 | -                 | 936,710           | 737,801             |
|  | <b>5,494,949</b>    | <b>29,147</b>                     | <b>2,704</b>      | <b>5,526,800</b>  | <b>7,227,168</b>    |
| <b>Expenditures</b>  |                     |                                   |                   |                   |                     |
| Salaries and benefits  | 1,559,668           | -                                 | -                 | 1,559,668         | 1,501,674           |
| Administration (Schedule II)                                 | 758,710             | -                                 | -                 | 758,710           | 813,483             |
| Strategy, marketing and sales                                | 1,423,645           | -                                 | -                 | 1,423,645         | 612,237             |
| Impact loan expenses   | -                   | 42,320                            | -                 | 42,320            | 46,150              |
| Projects (Note 8)  | 936,710             | -                                 | -                 | 936,710           | 737,801             |
|  | <b>4,678,733</b>    | <b>42,320</b>                     | <b>-</b>          | <b>4,721,053</b>  | <b>3,711,345</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>EXPENDITURES</b> | <b>\$ 816,216</b>   | <b>\$ (13,173)</b>                | <b>\$ 2,704</b>   | <b>\$ 805,747</b> | <b>\$ 3,515,823</b> |

Notes 10 and 11

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

## Statement of Cash Flows year ended December 31, 2022

|   | Operational<br>Fund | Restricted<br>Impact Loan<br>Fund | Land Bank<br>Fund | 2022                | 2021                |
|---|---------------------|-----------------------------------|-------------------|---------------------|---------------------|
| <b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b> |                     |                                   |                   |                     |                     |
| <b>OPERATING</b>  |                     |                                   |                   |                     |                     |
| Excess (deficiency) of revenues over expenditures                       | \$ 816,216          | \$ (13,173)                       | \$ 2,704          | \$ 805,747          | \$ 3,515,823        |
| Amortization  | 18,682              | -                                 | -                 | 18,682              | 15,700              |
| Provision for doubtful loans receivable                                 | -                   | 41,174                            | -                 | 41,174              | 45,152              |
|   | <b>834,898</b>      | <b>28,001</b>                     | <b>2,704</b>      | <b>865,603</b>      | <b>3,576,675</b>    |
| Changes in non-cash working capital:                                    |                     |                                   |                   |                     |                     |
| Receivables   | 9,197               | -                                 | -                 | 9,197               | (544,278)           |
| Prepays   | (63,752)            | -                                 | -                 | (63,752)            | (25,945)            |
| Payables  | 493,236             | -                                 | -                 | 493,236             | 153,917             |
| Deferred revenue  | 153,892             | -                                 | -                 | 153,892             | (190,954)           |
|   | <b>1,427,471</b>    | <b>28,001</b>                     | <b>2,704</b>      | <b>1,458,176</b>    | <b>2,969,415</b>    |
| <b>FINANCING</b>  |                     |                                   |                   |                     |                     |
| Interfund (repayment) advance   | (657,586)           | -                                 | 657,586           | -                   | -                   |
| <b>INVESTING</b>  |                     |                                   |                   |                     |                     |
| Advance of loans receivable   | -                   | (150,000)                         | -                 | (150,000)           | (195,000)           |
| Contributed loans receivable  | -                   | -                                 | -                 | -                   | (1,025,146)         |
| Purchase of capital assets  | (12,632)            | -                                 | -                 | (12,632)            | (74,332)            |
| Proceeds from repayment of loans receivables                            | -                   | 357,744                           | -                 | 357,744             | 313,844             |
|   | <b>(12,632)</b>     | <b>207,744</b>                    | <b>-</b>          | <b>195,112</b>      | <b>(980,634)</b>    |
| <b>NET CASH INFLOW</b>  | <b>757,253</b>      | <b>235,745</b>                    | <b>660,290</b>    | <b>1,653,288</b>    | <b>1,988,781</b>    |
| <b>CASH POSITION, BEGINNING OF YEAR</b>                                 | <b>1,398,672</b>    | <b>746,309</b>                    | <b>-</b>          | <b>2,144,981</b>    | <b>156,200</b>      |
| <b>CASH POSITION, END OF YEAR</b>                                       | <b>\$ 2,155,925</b> | <b>\$ 982,054</b>                 | <b>\$ 660,290</b> | <b>\$ 3,798,269</b> | <b>\$ 2,144,981</b> |

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

## Notes to the Financial Statements

year ended December 31, 2022

---

### 1. NATURE AND CONTINUANCE OF OPERATIONS

The Agency is a singular economic growth entity with greater impact and alignment to propel growth for the Saint John region representing the City of Saint John, Quispamsis, Rothesay, Grand Bay-Westfield, Hampton and St. Martins. The Agency is the region's sales, marketing, and support engine strategically focused on attracting people, visitors, business, and investment. The Agency accelerates regional growth by connecting innovators, entrepreneurs, and builders. The Agency is incorporated without share capital under the laws of the Canada Not-for-profit Corporations Act. The Agency is incorporated as a non-profit organization and as such is exempt from income tax by virtue of paragraph 149(1)(l) of the *Income Tax Act*.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### *Fund accounting*

The Corporation follows the restricted fund method of accounting.

The Operational Fund accounts for the Corporation's program delivery and administration activities. This fund reports unrestricted resources, capital items, operating contributions and expenses.

The Impact Loan Fund reports all restricted resources of the Impact Loan Fund and the income and expenses resulting from lending activities employing the fund.

The Land Bank Fund reports all restricted resources of the Land Bank Fund and the income and expenses resulting from activities employing the fund

#### *Revenue and expenses*

Unrestricted contributions and related expenses are recognized on an accrual basis. Strategic partner funding is invoiced as commitments are made and is recognized as revenue in the year for which the work plan commitment is made.



# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

## Notes to the Financial Statements

year ended December 31, 2022

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Revenue and expenses (continued)*

Restricted contributions from government and the private sector which relate to specific projects are recognized as revenue in the year in which the related expenditures are incurred. Any excess income or expenses on completed projections is then absorbed by the operational fund.

Income and expenses on loans receivable under the Impact Loan Fund is recognized as earned or incurred, and are recorded as a direct increase or decrease to the restricted equity for Impact Loan Fund.

#### *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, liabilities, revenues and expenditures during the reporting period. Estimates are used for, but not limited to, determination of fair values, allowance for doubtful accounts, accruals and amortization. Actual results could differ from those estimates.

#### *Capital assets*

Purchased capital assets are recorded at cost. The cost of assets are being amortized utilizing the straight-line method over the estimated useful lives of the assets at the following annual rates:

|                         |                    |
|-------------------------|--------------------|
| Furniture and equipment | 3 years            |
| Leasehold improvements  | over term of lease |

In the year of addition, amortization is pro-rated based on the number of months in service. No provision for amortization is made in the year of asset disposal. Upon disposal, the asset cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is included in income.

#### *Allowance for doubtful accounts*

The allowance for doubtful accounts is determined by assessing the fair value of the loan portfolio considering each loan's repayment history, security pledged and other circumstances. The allowance at year end will equal the estimated uncollectable balance of all loans considered doubtful. The allowance for doubtful accounts as a reduction of loans outstanding, including the current year's increase or decrease in the required allowance, as disclosed in Note 5.

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

Notes to the Financial Statements  
year ended December 31, 2022

---

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Impairment of long-lived assets*

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value. No write-down of long-lived assets was recorded in the year.

### *Deferred revenue*

Deferred revenue are advances that are received for projects that are in progress.

### *Allocation of expenditures*

The Agency allocates certain expenditures, including payroll to various projects, that are part of its operations. These expenditures are allocated by identifying the appropriate basis and applies that basis consistently each year.

### *Statement of cash flows*

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

### *Financial instruments*

#### *Measurement of financial instruments*

The Agency initially measures its financial assets and liabilities at fair value.

The Agency subsequently measures all its financial assets and financial liabilities at amortized cost, except for loans receivable which are measured at historical values.

Financial assets measured at amortized cost includes cash and receivables.

Financial liabilities measured at amortized cost include payables.

#### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income.

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

Notes to the Financial Statements  
year ended December 31, 2022

---

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Financial instruments (continued)*

#### *Transaction costs*

The Agency's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

## 3. FINANCIAL RISKS

The Agency is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Agency's risk exposure as 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 Agency's main credit risk relates to its receivables and loans receivable. The Agency provides credit to its clients in the normal course of operations.

### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Agency is exposed to this risk mainly in respect of its payables.

## 4. RECEIVABLES

|                   | <u>2022</u> | <u>2021</u> |
|-------------------|-------------|-------------|
| Operational Fund  |             |             |
| Contributions     | \$ 409,050  | \$ 413,832  |
| HST               | 210,263     | 86,032      |
|                   | <hr/>       | <hr/>       |
|                   | 619,313     | 499,864     |
| Land Bank Fund    |             |             |
| Contributions     | -           | 128,646     |
|                   | <hr/>       | <hr/>       |
| Total receivables | \$ 619,313  | \$ 628,510  |

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

## Notes to the Financial Statements year ended December 31, 2022

### 5. IMPACT LOANS RECEIVABLE

|   | <u>2022</u>       | <u>2021</u>       |
|---|-------------------|-------------------|
| Term loans with interest rates ranging from 4.7% to 5.95% | \$ 660,601        | \$ 867,119        |
| Allowance for doubtful accounts                           | (48,369)          | (5,969)           |
|   | <u>612,232</u>    | <u>861,150</u>    |
| Current portion   | <u>251,684</u>    | <u>306,107</u>    |
|   | <u>\$ 360,548</u> | <u>\$ 555,043</u> |

The loans receivable balance is comprised of:

|   |                   |                   |
|---|-------------------|-------------------|
| Balance, beginning of year  | \$ 861,150        | \$ -              |
| Transferred in from Economic Development of<br>Greater Saint John | -                 | 1,025,146         |
| Loans advanced during the year                                    | 150,000           | 195,000           |
| Loans repaid during the year                                      | (357,744)         | (313,842)         |
| Recovery of loans written-off                                     | 1,226             | -                 |
| Loans written-off during the year                                 | -                 | (39,185)          |
|   | <u>654,632</u>    | <u>867,119</u>    |
| Balance, principal  | <u>654,632</u>    | <u>867,119</u>    |
| Increase to allowance for doubtful accounts                       | (42,400)          | (5,969)           |
|   | <u>\$ 612,232</u> | <u>\$ 861,150</u> |

The activity in the allowance for doubtful loans account is as follows:

|                                    |                  |                 |
|------------------------------------|------------------|-----------------|
| Balance, beginning of year         | \$ 5,969         | \$ -            |
| Current year's loan loss provision | 42,400           | 5,969           |
|                                    | <u>\$ 48,369</u> | <u>\$ 5,969</u> |

The activity in the bad debt expense account is as follows:

|   |                  |                  |
|---|------------------|------------------|
| Loans written off during the year               | \$ -             | \$ 39,185        |
| Current year's loan loss provision              | 42,400           | 5,969            |
| Recovery of loans written off in previous years | (1,226)          | -                |
|   | <u>\$ 41,174</u> | <u>\$ 45,154</u> |

There were 7 (2021 - 8) loans approved during the year and 68 (2021 - 84) loans under management at year end. The loans may be repaid at any time at the borrower's option without penalty.

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

Notes to the Financial Statements  
year ended December 31, 2022

## 6. CAPITAL ASSETS

|                         | <u>Cost</u>      | <u>Accumulated<br/>Amortization</u> | <u>Net Book Value</u> |                  |
|-------------------------|------------------|-------------------------------------|-----------------------|------------------|
|                         |                  |                                     | <u>2022</u>           | <u>2021</u>      |
| Furniture and equipment | \$ 18,882        | \$ 7,149                            | \$ 11,733             | \$ 4,167         |
| Leasehold improvements  | 68,082           | 27,233                              | 40,849                | 54,465           |
|                         | <b>\$ 86,964</b> | <b>\$ 34,382</b>                    | <b>\$ 52,582</b>      | <b>\$ 58,632</b> |

## 7. OTHER INCOME

Other income includes a lease inducement of \$Nil (2021 - \$152,000).

The Agency will be eligible to receive an additional lease inducement of \$221,725 in 2024 provided the Agency has not exercised their option to terminate the lease and has satisfied the conditions of advance as set out in the lease agreement.

## 8. PROJECTS

|  | <u>2022</u>       | <u>2021</u>       |
|--|-------------------|-------------------|
| Revenue  |                   |                   |
| Business Immigrant Essentials Program and HIVE<br>Incubator Saint John | \$ 60,086         | \$ 52,069         |
| Catalytic Fundy Quay   | 4,966             | 134,350           |
| Emerging Entrepreneurs   | 194,309           | 208,600           |
| Impact Loan Operating  | 65,091            | 55,384            |
| Innovation Business Plan   | (1,285)           | 28,136            |
| Innovation Program   | 78,179            | 13,101            |
| Saint John Port Workforce Partnership                                  | 277,004           | 45,615            |
| Block One Incubator/Venture Validation Program                         | 255,856           | 175,977           |
| Workforce Development  | 2,504             | 22,953            |
| Catalytic Ashburn  | -                 | 521               |
| Catalytic Community Hub  | -                 | 1,095             |
|  | <b>\$ 936,710</b> | <b>\$ 737,801</b> |

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

Notes to the Financial Statements  
year ended December 31, 2022

## 8. PROJECTS (continued)

|  | <u>2022</u>       | <u>2021</u>       |
|--|-------------------|-------------------|
| Expenses                                       |                   |                   |
| Business Immigrant Essentials Program and HIVE |                   |                   |
| Incubator Saint John                           | \$ 60,086         | \$ 52,069         |
| Catalytic Fundy Quay                           | 4,966             | 134,350           |
| Emerging Entrepreneurs                         | 194,309           | 208,600           |
| Impact Loan Operating                          | 65,091            | 55,384            |
| Innovation Business Plan                       | (1,285)           | 28,136            |
| Innovation Program                             | 78,179            | 13,101            |
| Saint John Port Workforce Partnership          | 277,004           | 45,615            |
| Block One Incubator/Venture Validation Program | 255,856           | 175,977           |
| Workforce Development                          | 2,504             | 22,953            |
| Catalytic Ashburn                              | -                 | 521               |
| Catalytic Community Hub                        | -                 | 1,095             |
|  | <u>\$ 936,710</u> | <u>\$ 737,801</u> |

## 9. EXTERNALLY RESTRICTED FUNDS

### *Impact Loan Fund*

The Impact Loan Program is a capital initiative intended to increase the accessibility of capital for small businesses in Saint John, NB. Funds credited to the Impact Loan Fund shall not be used for purposes other than Impact Loan Fund activities.

### *Land Bank Fund*

The Land Bank Fund is set up to obtain title to vacant and derelict properties in Saint John, NB, with the objective of repurposing these properties as a diverse housing mix, green spaces and development projects that contribute to the revitalization of the City of Saint John. Funds credited to the Land Bank Fund shall not be used for purposes other than Land Bank activities. Funds received in 2022 were relating to the years 2018 - 2022 (Note 12).

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

## Notes to the Financial Statements

year ended December 31, 2022

---

### 10. COMMITMENTS

The Corporation has a property lease expiring in July 2026. The annual minimum lease payments over the next four years based on rates of \$13 per square foot on a rentable area of 10,000 square feet until July 2023, \$14 per square foot on a rentable area of 10,000 square feet until July 2024 and \$15 per square foot on a rentable area of 17,738 square feet until July 2026 are estimated to be as follows:

|      | \$      |
|------|---------|
| 2023 | 154,292 |
| 2024 | 221,409 |
| 2025 | 305,981 |
| 2026 | 178,489 |

### 11. ECONOMIC DEPENDENCE

The Agency is economically dependent as it received approximately 59% (2021 - 70%) in annual operating contributions from the City of Saint John and The Province of New Brunswick. These cover all operating expenses of the Operational Fund that are not designated under specific programs.

### 12. SUBSEQUENT EVENTS

Subsequent to year end, the Agency received confirmation from the Canada Revenue Agency that they met the criteria to be determined a municipality under the administrative criteria related to para-municipal organizations. As a result, the Agency has recorded an accrued liability of \$129,104 owed to the City of Saint John, and a corresponding HST receivable to be recovered from the Canada Revenue Agency.

Subsequent to year end, the Agency transferred the funds and related obligations of the Land Bank Fund to the City of Saint John. All future obligations related to the Land Bank Fund will be undertaken by the City of Saint John.

# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

Government Funding  
year ended December 31, 2022

Schedule I

|                             | <u>2022</u>         | <u>2021</u>         |
|-----------------------------|---------------------|---------------------|
| Federal                     | \$ 178,309          | \$ 52,680           |
| Provincial                  | 885,364             | 1,172,212           |
| Municipal                   |                     |                     |
| City of Saint John          | 1,700,000           | 1,700,000           |
| Town of Quispamsis          | 219,000             | 168,000             |
| Town of Rothesay            | 192,000             | 148,000             |
| Town of Grand Bay-Westfield | 48,000              | 36,000              |
| Town of Hampton             | 41,000              | 31,000              |
| Village of St. Martin's     | 1,800               | 1,800               |
|                             | <u>\$ 3,265,473</u> | <u>\$ 3,309,692</u> |

In 2022, the Agency received a total of \$812,500 from PETL, which is included in the provincial funding. Specifically, as of December 31, 2022, the Agency received \$250,000 relating to its 2021 contract with PETL. In 2022, the Agency executed a new contract with PETL that provides for \$750,000 of core funding and \$250,000 of performance-based funding. Based on this 2022 contract, \$562,500 was recognized related to the core funding.



# ENVISION SAINT JOHN: THE REGIONAL GROWTH AGENCY

Administration Expenses  
year ended December 31, 2022

Schedule II

|   | <u>2022</u>       | <u>2021</u>       |
|---|-------------------|-------------------|
| Advertising                                   | \$ 37,951         | \$ 4,481          |
| Amortization                                  | 18,682            | 15,700            |
| Bad debts                                     | 9,818             | -                 |
| Bank charges                                  | 2,511             | 988               |
| Board expenses                                | 3,463             | 12,628            |
| Data and research                             | 38,929            | 28,281            |
| Dues and subscriptions                        | 26,278            | 9,074             |
| Employee culture and professional development | 21,296            | 10,626            |
| Events  | 18,843            | 18,364            |
| Insurance                                     | 5,816             | 3,841             |
| IT expenses                                   | 47,006            | 44,268            |
| Maintenance and repairs                       | 16,071            | 17,553            |
| Office  | 21,254            | 37,507            |
| Partnerships                                  | 34,000            | -                 |
| Professional services                         | 185,040           | 179,072           |
| Rent  | 293,159           | 244,967           |
| Utilities                                     | 8,707             | 20,558            |
| Travel  | 7,458             | 3,636             |
| Transition                                    | -                 | 166,374           |
|   | <u>796,282</u>    | <u>817,918</u>    |
| Administrative recoveries from projects       | <u>(37,572)</u>   | <u>(4,435)</u>    |
|   | <u>\$ 758,710</u> | <u>\$ 813,483</u> |