



Enterprise Saint John

The Greater Saint John Economic Development Agency Inc.

Annual Report

2008

Enterprise Saint John

Mission

To create the environment for prosperity in the Saint John Community by inspiring and supporting people, ideas and investment.

Vision

Through the leadership of Enterprise Saint John and its partners, the Saint John Community will be a magnet for innovation, creativity and business investment where you can live life on your terms.

Values

Visionary Excellence - We encourage connectivity and global awareness, as we incorporate the larger Community vision in all that we do.

Cohesiveness - We work with Community partners to support collaboration between those with shared goals.

Inclusive - We work in a cooperative way that respects a diversity of perspective and approach.

Integrity - We pride ourselves in the confidentiality of our services, accuracy of our information and our trustworthiness.

Client Focused - We work as a team to provide the best advice, guidance and support to our clients to help them reach their goals.

Passionate - We are a team of individuals who are passionate about aiding the progression of business and the Saint John Community.





Inspiring people, ideas & investment

Welcome to our 2008 Annual Report

The Greater Saint John Economic Development Agency, Inc. (Enterprise Saint John) is a not-for-profit agency, funded by the City of Saint John and the municipalities of Grand Bay-Westfield, Quispamsis, Rothesay, and St. Martins, the Province of New Brunswick and the Atlantic Canada Opportunities Agency (ACOA).

The volunteer board is comprised of sixteen individuals representing a broad spectrum of industry and community interests to ensure there is representation from key priority sectors. They are nominated by community stakeholder groups from our region.

We are staffed by a team of client-focused individuals who are passionate about advancing our Community as a place that inspires and supports people, ideas and investment.

Our mandate and core services include:

1. Development and implementation of the Community's economic development strategies
2. Workforce expansion
3. Investment attraction
4. Business development
5. Entrepreneur development



Communities represented by Enterprise Saint John



Message from the Chair



True Growth

Just a little over a decade ago, a unique one-day event was held that challenged people to “Imagine the Possibilities”. It was brought about because we recognized we had a problem – our undiversified economy was suffering, our reputation was poor, and we were failing to retain our skilled labour, our youth, and to attract new residents to our region.

Through collaboration, a unified message emerged – that by working together as five municipalities, but one Community we could embrace our full potential and “grow the pie” rather than fighting over the pieces. This formed the basis of True Growth, our Community’s growth strategy that recognized that to position our Community to retain and attract people, ideas and investment we must collaborate to not only grow economically, but socially, culturally and environmentally as well.

A Solid Foundation

Together we have made significant progress over the past decade. Through regional cooperation and True Growth we have been able to balance our social, cultural, economic and environmental priorities and focus on the things that retain and attract people to live here, work here, raise their families and build long-term rewarding careers. The community information portal, Life on Your Terms, has proven to be an excellent communication tool in promoting our Community, both inside and outside our region. While there is significant momentum in all of our strategic sectors, we cannot rest on our laurels and assume that this momentum will continue. It is time to plan for a future of opportunities and build on our solid foundation.

This is our moment

This past year saw the Saint John region begin to capitalize on a number of significant opportunities that are building momentum in generating further investment and new relationships with people eager to do business with our corporations and entrepreneurs. It is an oft-repeated phrase but it bears saying again: the scale of our potential growth is unprecedented in Saint John’s history.

This is why we must have the courage to seize the moment and we at Enterprise Saint John are proud of the leadership role we’re playing along with our partners in encouraging economic development in our region. We believe it is essential that we work together to ensure economic growth buoys and supports our Community’s goals so that the Saint John region can retain and attract people, ideas and investments.

An Emerging Energy Hub

The energy sector continues to lead development not only in the Southwestern region of New Brunswick but across the entire Atlantic region. World-wide economic challenges, most notably the collapse of investment capital, has placed pressure on projects currently being considered. Here in Saint John, major energy projects have been reworked, with extended deadlines, to accommodate the new economic climate, but we are pleased to see that the region continues to move forward with a number of significant projects. The energy hub is becoming the catalyst which is creating the kind of community that people are being attracted to and want to stay in. As it gathers steam, these core energy projects will continue to attract secondary industries, further diversifying the regional economy.

A significant strategic priority needed to facilitate this growth is a long-term land-use planning process. Only then will we be able to manage economic development alongside social, cultural

and environmental priorities. We fully support the City of Saint John in updating their municipal plan, as well as the other municipalities in their planning processes.

Supporting Medical Education and the Knowledge Cluster at Tucker Park

At Enterprise Saint John we have made education and health care a priority because we recognize economic competitiveness is directly linked to a highly-skilled and educated workforce. A vibrant and responsive post-secondary education sector is critical to fulfilling our long-term priorities for the region. Strong and effective linkages between the post-secondary education sector and our Community must exist in order for the sector to maximize its contribution to the growth and well being of our region.

The new healthcare facility at Tucker Park, which includes shared programs offered through the University of New Brunswick Saint John, Dalhousie University and New Brunswick Community College Saint John, is an example of what can be accomplished when community members work together toward a common goal. This creates a Knowledge Cluster at Tucker Park, helping to drive research and development in the health sciences sector. With the province's largest hospital next door, Tucker Park has the potential to attract high-performing students, instructors, doctors and other healthcare professionals to our region.

Growing our Region's ICT Sector

Our region's leadership in the ICT sector plays a significant role in achieving our Agency's vision – to create a Community that is a magnet for innovation, creativity and business investment. We support, and applaud, the efforts of *propel* ICT in developing the necessary community based infrastructure to expand entrepreneurship, innovation and economic activity in this sector. Accelerating growth in our ICT community will facilitate expansion and collaboration of existing ICT companies while attracting and growing new entrants to our region. This creates a vibrant environment for inspiring and supporting people, ideas and investment.

Booming Tourism

Saint John continues to drive tourism in New Brunswick with its combination of historic urban architecture and natural beauty courtesy of the Bay of Fundy and the St. John River system. This past year saw our one millionth cruise ship visitor, so congratulations to the Saint John Port Authority in growing the tourism sector through various cruise initiatives including the construction of the new Marco Polo cruise terminal. The continued support by Air Canada and West Jet are also key indicators that despite unsure economic times, Saint John remains a destination of choice for both leisure and business travel.

Much headway has been made in the development of our region's tourism products, such as the Fundy Trail, the inner harbour and the Saint John River system. We support the entrepreneurial activities which are created and prosper as a result of this vibrant tourism sector. Finally, we also look forward to the initiatives of the newly formed DMO (Destination Marketing Organization) in striving to develop strategies which promote our wonderful region.

Thank you to fellow volunteer Board members, our committed staff, Community partners and our five partner Mayors, for their dedication, hard work and contribution toward building our Community where you can live life on your terms.

Sincerely,



R.M. (Bob) Manning
Chair, Board of Directors
Enterprise Saint John

Message from the CEO

It is an exciting time for Saint John and we at Enterprise Saint John are proud to be a part of it. We remain committed to the Saint John Community, including Grand Bay-Westfield, Quispamsis, Rothesay, and St. Martins, in creating an environment where residents can indeed live life on their terms. We appreciate the support from our municipal partners as well as our other funding partners including ACOA (Atlantic Canada Opportunities Agency), BNB (Business New Brunswick) and PETL (Post-Secondary Education, Training and Labour). Without this support we wouldn't be able to play our role in helping our Community retain and attract people, ideas and investment.

We do some of our best work in partnership with other Community organizations such as the Saint John Board of Trade, the Saint John Waterfront Development Partnership, the Atlantica Centre of Energy, *propel* ICT and the Eastern Maine Development Corporation and look forward to continuing to strengthen existing and developing new public and private partnerships which further positions our Community as a magnet for innovation, creativity and business investment.

In 2008 our organization undertook a process to examine the way we operate. Led by Dora Nicinski, the Enterprise Saint John Board governance committee redesigned our governance structure to ensure we were well-equipped for the changes in our economy and our Community. Thank you to that committee, and the rest of our board and our staff for their hard work.

Last year our staff participated in a multi-day Franklin Covey leadership training program which, among other things, assisted us in developing Enterprise Saint John's mission, vision and values. I am proud of the work of our staff and board in creating our statements which articulate our mission to create an environment for prosperity in the Saint John region by inspiring and supporting people, ideas and investment.

I would like to recognize and thank our strong staff compliment – individuals who are client-focused and passionate about aiding the progression of our Community. I was also pleased that our commitment to ensure we foster diversity in our workplace was honoured with the 2008 Employer of the Year Award from the Saint John Accessibility Advisory Committee.

We worked diligently with a wide range of clients and partners to encourage economic development and entrepreneurship in our region. Initiatives such as Workforce Expansion and Emerging Entrepreneurs have helped people engage and participate in the workforce on their terms, thus contributing to sustainable prosperity for all.

Our staff redesigned and relaunched our corporate website to improve navigation and enhance content for our users. To improve our level of client service, we also invested significant time and effort in establishing a new Customer Relationship Management (CRM) system that would track our interactions with both current and prospective clients and enable timely and accurate reporting of outcomes. We are excited by the addition of this valuable tool, which has recently come on-line in May 2009.

Moving forward, our Board, management and staff will continue to stay focused on the priorities identified in our strategic plan:

- Workforce Expansion
- Core Service Delivery
- Energy Hub
- True Growth and True Growth Initiatives
- Partner Networks
- Governance and Administration

We will continue our proactive support of the four emerging growth sectors, including: Information and Communications Technology (ICT), Energy and Advanced Manufacturing, Health Sciences, and Waterfront Development and Tourism. There will be particular emphasis in 2009-2010 on the continued development of a diverse and sustainable local energy hub. As the regional economy evolves, we will continue to be active in inspiring and supporting emerging business and investment opportunities.

Our Board, chaired by Bob Manning, is comprised of Community and business leaders who provide hundreds of volunteer hours per year in helping shape, guide and implement our Agency's mission. Together, through their leadership, they have been instrumental in helping foster positive Community partnerships so that we can all work together toward True Growth – a philosophy which strives to grow our region as a whole while balancing our region's economic, social, cultural and environmental priorities.

I would like to personally thank our volunteer Board members, including our five regional Mayors, and our dedicated and committed staff in helping to press forward in building a vibrant community where you can live life on your terms.

Sincerely,

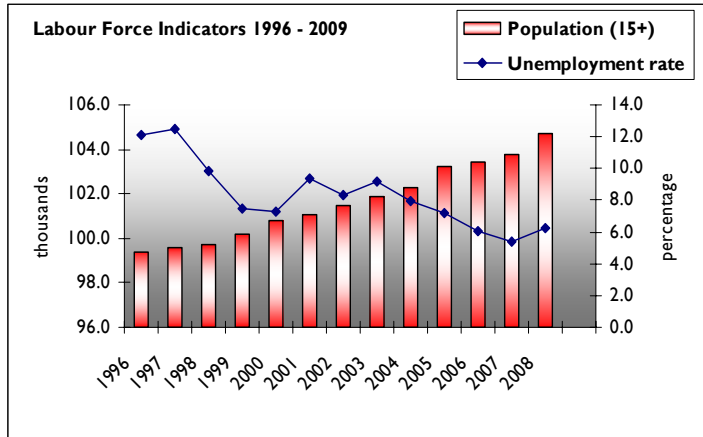


Steve Carson,
CEO, Enterprise Saint John



Workforce Expansion

Enterprise Saint John took a lead role in 2008 coordinating a fully developed community Workforce Expansion Strategy. Workforce development became a core client service function, and was and will continue to be our organization's most important priority. We assigned dedicated internal resources and received support from Federal and Provincial partners to implement the first phase of the Saint John Workforce Expansion Strategy. The scope of the overall initiative will expand through 2009 and beyond.



Community Growth Indicator

Population growth is one of the best indicators used to assess the health of the economy and Saint John is growing.

At 6.5% unemployment, we also outpaced the provincial average of 8.6%.

As unemployment rates reach unprecedented lows, investment decisions are increasingly being made on labour-based factors.

Workforce Expansion Highlights

- Heather Chase was officially welcomed in May as the new Executive Director, Workforce Expansion
- First Workforce Action Steering Committee was held in June
- PETL approved funding for TIES 2 Work, an innovative three year workplace essential skills training program which helps provide employment opportunities for people living in poverty
- Sarah Craig joined the team as Workforce Development Officer in November
- The Workforce Expansion team traveled to Toronto, Belgium and France in November and linked nearly one hundred applicants with potential local employers
- Workforce Expansion received a \$30,000 project from PETL, on behalf of the Enterprise Network, to develop an HR strategy for small and medium sized enterprises (SME's)
- The Energy Camp was held in December to bring together private, public and organized labour groups to develop integrated workforce solutions



Community Growth Indicator

Saint John led the province in 2008 with a 21.1% increase in housing starts over 2007.



Life on Your Terms Highlights

- Our LOYT Coordinator attended a national Job Fair in Toronto in April to match employment opportunities with job seekers
- Our LOYT Coordinator participated in Faces of Fusion panel discussion in May
- The first Google Adwords campaign launched in July
- A summer draw contest was implemented in July in partnership with the Hardman Group



Web banner advertising generates above-average response rates in May

- We spearheaded Welcome Back! video project featuring Chris Cummings, which launched in October
- Editorial content and an advertising feature was developed for the UK publication, *Live and Work in Canada*, which is launching May 2009
- An HR professionals focus group was conducted in November

3,000 Saint John Community residents participated in the Welcome Back! video



Life on Your Terms receives approximately 1,500 unique visitors per month

Life on Your Terms Web Portal

The portal promotes the advantages of living and working in Saint John to an external audience, as well as serving as a resource for our local Community and as an HR recruitment tool for organizations.

All five municipal websites were redesigned to be consistent with the Community's branding and exist on the same technology platform.

International visitors from 50 countries view the site regularly. The top ten list includes the US, UK, Germany, South Korea, China, the Philippines, Iran, Chile and India.

Core Service Delivery: Entrepreneurship

There was a particularly strong focus on entrepreneurship and targeted niche investment attraction services in 2008. Delivery of these core programs played a vital service to our Community, and remained a high priority for our Board of Directors. They also fulfilled a specific delivery requirement for our lead funding partners: the Province of New Brunswick and Government of Canada. Enterprise Saint John continued to excel at delivering these services in a coordinated effort with partners, and was recognized a leader within the provincial Enterprise Network (largely a reflection of the agency's staff and volunteer resources).

Emerging Entrepreneurs

Over 2,000 high school, university and college students are reached every year through various programs which promote entrepreneurship as a career path.

2008 Highlights

- 22 entrepreneurs were helped to secure new business loans which collectively amounted to in excess of half a million dollars
- 230 participated in various workshops and seminars
- 1,428 students and employees participated in Career Fair initiatives
- 112 participated in school and Loyalist Plaza markets

Sample Workshops and Seminars

- How to Start a Business
- Idea Development Workshop and Techniques
- Revenue Canada Tax Rules
- Elevator Pitch Workshop
- Basic Bookkeeping
- Doing Business in Latin America
- Business Pitch Boot Camp
- The Art of Advertising
- Press Release & Media Relations

ACOA Seed Capital ConneXion Program

Enterprise Saint John delivers this loan on behalf of the Atlantic Canada Opportunities Agency (ACOA). It is designed to help with business start-ups or expansions while providing them with business counseling and training. Up to \$20,000 is available in the form of a repayable, unsecured personal loan. Up to \$2,000 in a non-repayable grant is available for specialized training and business counseling.

Other Initiatives

- Aliant Business Plan Competition
- District 6 & 8 Career Fairs
- Fundy Regional Science Fair Sponsorship
- NB Youth Career Options Presentation



KV High School Market



Aliant Business Pitch Competition

Loyalist Plaza

Core Service Delivery: Investment Attraction

Through True Growth, much work has been done to position the Saint John Community as a magnet for ideas, creativity and innovation. In 2008, Enterprise Saint John continued to collaborate with private, public and volunteer partners in identifying potential opportunities and continued to support the top 25 identified investment attraction initiatives. These initiatives have contributed to new businesses deciding to establish a presence in our region.

Community Growth Indicator

In 2008, Saint John experienced a 27.7% increase in the value of new construction building permits amounting to \$154,585,548.

Immigration

Enterprise Saint John continued to support immigrants and newcomers to our region. In 2008, an idea was born out of the Regional Mayors' Caucus: that an advisory board be formed to address the issues facing newcomers to the Saint John region. The goal was to enhance the level of settlement services delivered to newcomers and immigrants in our Community. The team at Enterprise Saint John rose to the challenge and worked to coordinate the effort in developing the plan in collaboration with local, provincial and federal organizations. We are pleased to report that this led to the opening of the Saint John Multicultural and Newcomers Resource Centre (SJMNRCC) in May 2009.

2008 Highlights

- 375 potential immigrant investors were hosted by Enterprise Saint John
- 80 people invited to provide input into the proposed establishment of an "Immigration Welcome Centre"
- 58% more immigrants were nominated through the Provincial Nominee Program over prior year (1,501 versus 952)



Energy Hub

In 2008, Enterprise Saint John continued its strong focus in the four key emerging growth sectors, with a particular emphasis on the development of a diverse and sustainable local energy hub. The primary focus was leading the coordination of the Benefits Blueprint initiative associated with key capital investments in the energy sector. We managed Phase 1 of Benefits Blueprint and assisted with determining the champions for various Community initiatives and are moving to facilitate the management of Phase 2. This entailed supporting key energy sector investments and projects by partnering with the Province of New Brunswick, Government of Canada, and the Atlantica Centre for Energy to further develop the Saint John energy hub.

Community Growth Indicator

There are \$3 billion in energy projects now underway, the \$8 billion Eider Rock refinery project is in the permitting stage, and an additional \$10 billion + in incremental energy projects under consideration (including Lepreau II and III) .

2008 Highlights

- Irving Oil and BP announced in March the Eider Rock feasibility study partnership, with BP investing \$40 million US
- The Floating Pipeline Company announced in June a major expansion plan which would result in 50 new jobs
- Kevin Dennison of NY Thermal/Entec received the NB Innovation Award
- Lorneville Mechanical Contractors Ltd. announced in April a \$42 million contract with Atomic Energy of Canada Ltd. to help in the Point Lepreau refurbishment
- Sunny Corner Enterprises received a \$3 million loan guarantee in September from the provincial government to allow for significant expansion



BENEFITS BLUEPRINT 
ENERGIZING SUSTAINABLE COMMUNITIES

True Growth and True Growth Initiatives

Enterprise Saint John worked to reinvigorate and realign the momentum behind True Growth. To do this, we facilitated the development of some central organizing functions, particularly in coordinating responses to emerging issues and supports for True Growth Leadership. We supported key True Growth initiatives including waterfront development, waterways development, the Atlantica initiative, Access Atlantica trade corridor, air service attraction and expansion efforts, industrial and business parks development, retail attraction and implementation of the post-secondary education strategy, and their respective lead organizations. While these initiatives were not our primary responsibility, lead or focus, we committed to maintaining a solid working relationship and strong communications channels with our Community partners.

Tourism

- Total tourism expenditures in Saint John increased 7.6% to reach a new high of \$246.2 million in 2008
- The total number of visitors to the city increased by 4.6% to 1.5 million in 2008
- Saint John had a record 79 cruise ships bringing more than 183,500 passengers and 70,000 crew members to our region
- Accommodation room sales in Saint John increased by 9.8% to 346,000 rooms sold in 2008
- Three new hotels have opened within the past few years increasing hotel capacity to 1,869 rooms and there are additional hotels planned or currently underway in the Saint John region



Health Sciences

- Medical School program announced; to be located in the Saint John College building at UNBSJ with classes to begin September 2010
- Provincial government announced \$67 million in capital investments for the health-care system in 2009 – 2010
- Saint John Regional Hospital received Level 1 trauma unit designation and received \$5.4 million to expand the emergency department



Community Growth Indicator

The Saint John Regional Hospital is the largest hospital in New Brunswick

- Primary centre for acute care
- Trauma centre for the province
- Pediatric and adult oncology
- Cardiac surgery cardiology services



Information and Communications Technology

- CenterBeam, Inc. received Best Customer Service award from the International Business Awards in Dublin, Ireland
- *Propel* SJ rebranded itself as *propel* ICT to better reflect its broader mandate

Partner Networks

Enterprise Saint John continued to invest time and energy into supporting key partnerships including the Atlantica Centre for Energy, Access Atlantica, *propel* ICT, the Saint John Call Centre Managers Working Group, Saint John Waterfront Development Partnership, Tourism Saint John, Venue Saint John and Hospitality Saint John. Our relationship with the health science sector and key partners such as AHSC, NBCC and UNB also remained a key priority. Finally, we continued to invest in relationships with shareholder agencies, particularly ACOA, BNB and PETL, with particular emphasis on identifying ways to support emerging initiatives.

2008 Highlights

- City of Saint John announced in January the creation of a new Destination Marketing Organization (DMO)
- The Saint John Port Authority announced in February the new cruise terminal construction contract was awarded for \$8.7 million
- Long Wharf property development Memorandum of Understanding (MOU) was signed in June by Irving Oil Limited and the Saint John Port Authority
- Saint John Waterfront Development welcomed Michael Baldwin as new General Manager in September
- New Brunswick Community College received \$507,000 in October to create 67 new program seats and support the hiring of five new instructors
- Saint John Airport reported in November a passenger load increase of 2.54% over prior year
- Donald Arseneault, Post-Secondary Education, Training and Labour Minister announced in December \$44.3 million to build a new 2,250-sq.-metre building on the UNBSJ campus and a new 9,000-sq.-metre building on NBCC's Grandview Avenue campus

Community Growth Indicator

The Saint John Port Authority handled 1.3 million tones of cargo in 2008 and experienced a 10% increase in container traffic.

Community Growth Indicator

On top of the Saint John Airport's significant 25% passenger traffic increase in 2007, this year saw an additional increase of 2.5%.

In 2008, the Saint John Airport served a record number of passengers with 245,000 flying out of Saint John.



Enterprise Saint John 2008 Board of Directors

(As at December 31st, 2008)

Chair

Robert (Bob) M. Manning
Owens McFadyen Group Inc.

Vice Chair

Darren Bishop
Bishops Windows & Doors

Secretary

Stephen Sherlock
CIBC Wood Gundy

Treasurer

Tony Gogan
Grant Thornton

Board Members

Don Bonnell
Aliant

Rick Brown
Master Mechanical Contractors Inc.

Arthur Doyle
Patterson Palmer

Natalie Godbout
Lawson Creamer

Mary Keith
J.D. Irving Limited

Jeff Landry
Irving Oil Limited

Dr. Robert Mackinnon
UNB Saint John

Dora Nicinski
Health Sciences Sector

Gerry Pond
Mariner Partners

Anita Punamiya
CompreCultures

Dr. Laurel Reid
Tourism Synergy Ltd.

Darryl Wilson
Alternatives

Ex-Officio

Mayor Bill Bishop
Town of Rothesay

Mayor Ivan Court
City of Saint John

Mayor Murray Driscoll
Town of Quispamsis

Mayor Jim Huttges
Village of St. Martins

Mayor Grace Losier
Town of Grand Bay-Westfield

Senior Staff

Steve Carson
Chief Executive Officer

Lois Vincent
Manager, Business Development

Heather Chase
Executive Director,
Workforce Expansion Initiative



Inspiring people, ideas & investment

Our Partners



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada



Industry
Canada

Industrie
Canada



Saint John
Board of Trade
Making It Happen For Business



Grand Bay-Westfield • Quispamsis • Rothesay • St. Martins • Saint John

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

(Incorporated under the laws of New Brunswick)

FINANCIAL STATEMENTS

DECEMBER 31, 2008

**TEED
SAUNDERS
DOYLE & CO.**
Chartered Accountants

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

DECEMBER 31, 2008

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**TEED
SAUNDERS
DOYLE & CO.**
Chartered Accountants

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**TEED
SAUNDERS
DOYLE & CO.**
Chartered Accountants

Member of DFK Canada and DFK International

AUDITORS' REPORT

To the Directors of Greater Saint John Community Economic Development Agency, Incorporated

We have audited the statement of financial position of Greater Saint John Community Economic Development Agency, Incorporated as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Teed Saunders Doyle & Co.

CHARTERED ACCOUNTANTS

Saint John, NB
March 2, 2009

Saint John Partners
John H Teed Andrew P Logan
Peter L Logan James K. Whitaker



Fredericton Partners
Brian J. Saunders Ralph D Gorman
David H. Bradley John H. Landry
T.J. Smith Jeff E. Saunders

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Restricted For SEED ConneXion Program</u>	<u>Total 2008</u>	<u>Total 2007</u>
ASSETS				
CURRENT				
Cash (Note 3)	\$ 374,042	\$ 146,338	\$ 520,380	\$ 407,303
Accounts receivable (Note 3)	659,467	-	659,467	588,627
Prepaid expenses	<u>12,923</u>	<u>-</u>	<u>12,923</u>	<u>508</u>
	<u>1,046,432</u>	<u>146,338</u>	<u>1,192,770</u>	<u>996,438</u>
CAPITAL (Notes 2 and 5)	<u>4,768</u>	<u>-</u>	<u>4,768</u>	<u>17,333</u>
OTHER				
Loans receivable (Notes 3 and 6)	<u>-</u>	<u>413,349</u>	<u>413,349</u>	<u>333,629</u>
	<u>\$ 1,051,200</u>	<u>\$ 559,687</u>	<u>\$ 1,610,887</u>	<u>\$ 1,347,400</u>
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 3)	\$ 223,837	\$ -	\$ 223,837	\$ 215,218
Deferred revenue (Note 7)	<u>550,155</u>	<u>34,436</u>	<u>584,591</u>	<u>317,871</u>
	<u>773,992</u>	<u>34,436</u>	<u>808,428</u>	<u>533,089</u>
NET ASSETS				
RESTRICTED FOR SEED CONNEXION PROGRAM (Note 6)	-	525,251	525,251	547,216
INVESTED IN CAPITAL ASSETS	4,768	-	4,768	17,333
UNRESTRICTED	<u>272,440</u>	<u>-</u>	<u>272,440</u>	<u>249,762</u>
	<u>277,208</u>	<u>525,251</u>	<u>802,459</u>	<u>814,311</u>
	<u>\$ 1,051,200</u>	<u>\$ 559,687</u>	<u>\$ 1,610,887</u>	<u>\$ 1,347,400</u>

COMMITMENT (Note 11)

APPROVED ON BEHALF OF THE BOARD:

R. Manning, Jr. Director

Troy Kueper Director

GREATER SAINT JOHN ECONOMIC DEVELOPMENT COMMISSION, INCORPORATED

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Unrestricted</u>	<u>Invested in Capital Assets</u>	<u>Restricted For SEED Connexion Program</u>	<u>Total 2008</u>	<u>Total 2007</u>
BALANCE AT BEGINNING OF YEAR	\$ 249,762	\$ 17,333	\$ 547,216	\$ 814,311	\$ 781,026
INTEREST INCOME FOR SEED CONNEXION PROGRAM (Note 6)	-	-	12,870	12,870	16,934
PROVISION FOR BAD DEBTS OF SEED CONNEXION PROGRAM LOANS RECEIVABLE (Note 6)	-	-	(34,835)	(34,835)	(2,391)
AMORTIZATION OF CAPITAL ASSETS	12,565	(12,565)	-	-	-
EXCESS OF REVENUE OVER EXPENDITURE	<u>10,113</u>	<u>-</u>	<u>-</u>	<u>10,113</u>	<u>18,742</u>
BALANCE AT END OF YEAR	<u>\$ 272,440</u>	<u>\$ 4,768</u>	<u>\$ 525,251</u>	<u>\$ 802,459</u>	<u>\$ 814,311</u>

**TEED
SAUNDERS
DOYLE & CO.**
Chartered Accountants

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget <u>2008</u>	Actual <u>2008</u>	Actual <u>2007</u>
REVENUE (Note 2)			
ACOA and Province of New Brunswick	\$ 347,350	\$ 353,434	\$ 347,539
Municipalities - base funding (Note 8)	572,000	572,000	572,000
True Growth - municipalities (Notes 4 and 9)	50,000	50,000	50,000
True Growth - Workforce Expansion (Note 4)	530,000	263,071	24,248
True Growth - Benefit Blueprint (Note 4)	155,000	331,784	575,556
True Growth - Energy Hub Development (Note 4)	118,000	252,463	171,397
True Growth - other (Note 4)	52,000	81,335	147,781
SEED ConneXion Program (Note 6)	66,000	69,515	73,771
Other revenue and sponsorships	18,000	42,446	24,698
Special projects (Note 10)	<u>140,000</u>	<u>220,112</u>	<u>381,732</u>
	<u>2,048,350</u>	<u>2,236,160</u>	<u>2,368,722</u>
EXPENDITURE			
Salaries and benefits	510,000	487,459	468,393
Communications	65,000	76,101	68,713
Client services	85,000	84,318	96,502
True Growth- Workforce Expansion (Notes 4 and 9)	630,000	363,071	124,248
True Growth - Benefit Blueprint (Note 4)	155,000	331,784	575,556
True Growth - Energy Hub Development (Note 4)	118,000	252,463	171,397
True Growth - other projects (Note 4)	37,000	81,335	147,781
Waterfront Development Partnership	15,000	15,000	15,000
SEED ConneXion Program (Note 6)	66,000	71,901	74,604
Special projects (Note 10)	140,000	226,478	381,732
Professional development	12,000	19,669	6,817
Vehicle and mileage	25,350	24,418	24,442
Office and administration	175,000	179,485	175,141
Amortization	<u>15,000</u>	<u>12,565</u>	<u>19,654</u>
	<u>2,048,350</u>	<u>2,226,047</u>	<u>2,349,980</u>
EXCESS OF REVENUE OVER EXPENDITURE	\$ <u>-</u>	\$ <u>10,113</u>	\$ <u>18,742</u>

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Restricted For SEED ConneXion Program</u>	<u>Total 2008</u>	<u>Total 2007</u>
CASH PROVIDED BY (USED IN)				
Operating activities				
Excess of revenue over expenditure	\$ 10,113	\$ -	\$ 10,113	\$ 18,742
Item not involving cash				
Amortization	<u>12,565</u>	<u>-</u>	<u>12,565</u>	<u>19,654</u>
	22,678	-	22,678	38,396
Changes in non-cash working capital balances				
Accounts receivable	(70,840)	-	(70,840)	(216,382)
Prepaid expenses	(12,415)	-	(12,415)	(134)
Accounts payable and accrued liabilities	8,620	-	8,620	(47,271)
Deferred revenue	<u>265,961</u>	<u>759</u>	<u>266,720</u>	<u>(148,739)</u>
	<u>214,004</u>	<u>759</u>	<u>214,763</u>	<u>(374,130)</u>
Investing activities				
Purchase of capital assets	-	-	-	(4,969)
New loans issued	-	(212,000)	(212,000)	(107,500)
Repayment of loans	-	97,444	97,444	114,914
Loan interest	<u>-</u>	<u>12,870</u>	<u>12,870</u>	<u>16,934</u>
	<u>-</u>	<u>(101,686)</u>	<u>(101,686)</u>	<u>19,379</u>
INCREASE (DECREASE) IN CASH	214,004	(100,927)	113,077	(354,751)
CASH AT BEGINNING OF YEAR	<u>160,038</u>	<u>247,265</u>	<u>407,303</u>	<u>762,054</u>
CASH AT END OF YEAR	<u>\$ 374,042</u>	<u>\$ 146,338</u>	<u>\$ 520,380</u>	<u>\$ 407,303</u>
SUPPLEMENTARY CASH FLOW INFORMATION				
Interest received	<u>\$ 15,242</u>	<u>\$ 12,870</u>	<u>\$ 28,112</u>	<u>\$ 39,237</u>

GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT AGENCY, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

1. PURPOSE OF THE ORGANIZATION

The purpose of Greater Saint John Community Economic Development Agency, Incorporated is:

- a) to provide small business counselling, consulting, advisory and other services throughout the region;
- b) to seek, promote, solicit and encourage the establishment, development and growth of new businesses and industries in the region; and
- c) to develop and implement economic development strategies for the region.

The corporation is incorporated without share capital under the laws of the Province of New Brunswick. Greater Saint John Community Economic Development Agency, Incorporated qualifies as a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Greater Saint John Community Economic Development Agency, Incorporated follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is being provided for using the straight-line method at the following annual rates:

Computer equipment	33 1/3%
Office equipment	20%
Leasehold improvements	20%

Contributed Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Use of estimates (cont'd)

Examples of significant estimates include:

- the allowance for doubtful accounts;
- the estimated useful lives of assets; and
- the recoverability of tangible assets.

3. FINANCIAL INSTRUMENTS

The corporation has classified its financial instruments as follows:

Financial Asset/ Liability	Classification	Subsequent Measurement
Cash	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Loans receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The corporations accounts receivable, loans receivable and accounts payable and accrued liabilities are recorded at amortized cost, which approximates their fair value.

The corporation is subject to credit risk through accounts receivable and loans receivable. The corporation maintains a provision for potential credit losses, and minimizes credit risk through ongoing credit management.

4. TRUE GROWTH STRATEGIC PROJECTS

The group of projects referred to as "True Growth" represent strategic projects undertaken by the Greater Saint John Community Economic Development Agency, usually in partnership with other organizations, which lead to the enhancement of the Community's ability to attract people, ideas and investment to the region and fit within the organizations strategic priorities. Projects generally demonstrate community impact beyond just traditional economic development and can include those which are economic, social, cultural or environmental in nature.

Funding partners include the federal (Industry Canada, ACOA), provincial (Dept. of Energy, Department of Post Secondary Education, Training and Labour, Business New Brunswick) and municipal governments (Note 8), as well as other associations, agencies, and the private sector.

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

5. CAPITAL ASSETS

	<u>2008</u>			<u>2007</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 20,547	\$ 20,547	\$ -	\$ 721
Office equipment	24,408	22,302	2,106	6,030
Leasehold improvements	<u>39,615</u>	<u>36,953</u>	<u>2,662</u>	<u>10,582</u>
	<u>\$ 84,570</u>	<u>\$ 79,802</u>	<u>\$ 4,768</u>	<u>\$ 17,333</u>

6. SEED CONNEXION PROGRAM

The Young Entrepreneurs ConneXion - Seed Capital and Counselling Program ("SEED ConneXion Program") is a project designed to provide access to capital and counselling/training support for those who are starting, expanding or modernizing a business. Funding for existing business expansion is limited to those 18-34 years of age. There are no age restrictions for funding to start a business. Funding is provided up to a maximum of \$20,000 per application. Training fees are provided up to a maximum of \$2,000 per application. The funding under this program is made available from the Atlantic Canada Opportunities Agency ("ACOA") Business Development Program. Contributions received for counselling/training and fee for service are non-repayable and are deferred and recognized as revenue as the related costs are incurred.

Loans receivable from clients participating in the program are repayable in various payments including interest at prime plus 2% over periods of 24 to 84 months. Under the terms of the agreement with ACOA, effective April 1, 2006 to March 31, 2009, the interest income and the provision for bad debts of these loans are recorded directly to the SEED ConneXion net assets. The agreement also provides for funding for the program coordinator.

Due to the nature of these loans, the credit risk is high and the fair value of the loans may be less than their carrying value. Under the agreement, management is required to review the loans on a regular basis to assess the ultimate collectability. As at December 31, 2008, the loan receivable balance is net of a reserve for doubtful loans of \$98,444 (2007 - \$63,609).

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

7. DEFERRED REVENUE

	<u>2008</u>	<u>2007</u>
ACOA and Province of New Brunswick	\$ 42,350	\$ 40,678
True Growth	485,005	232,183
SEED ConneXion	34,436	33,677
Youth Entrepreneurship Initiative	22,800	4,283
Labour Force Development	<u>-</u>	<u>7,050</u>
	<u>\$ 584,591</u>	<u>\$ 317,871</u>

8. MUNICIPALITIES - BASE FUNDING

	<u>Budget 2008</u>	<u>Actual 2008</u>	<u>Actual 2007</u>
City of Saint John	\$ 402,116	\$ 402,116	\$ 408,421
Town of Quispamsis	80,080	80,080	73,821
Town of Rothesay	68,068	68,068	67,603
Town of Grand Bay-Westfield	20,592	20,592	20,756
Village of St. Martins	<u>1,144</u>	<u>1,144</u>	<u>1,399</u>
	<u>\$ 572,000</u>	<u>\$ 572,000</u>	<u>\$ 572,000</u>

9. TRUE GROWTH - MUNICIPALITIES

	<u>Budget 2008</u>	<u>Actual 2008</u>	<u>Actual 2007</u>
City of Saint John	\$ 35,150	\$ 35,150	\$ 35,702
Town of Quispamsis	7,000	7,000	6,453
Town of Rothesay	5,950	5,950	5,909
Town of Grand Bay-Westfield	1,800	1,800	1,814
Village of St. Martins	<u>100</u>	<u>100</u>	<u>122</u>
	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

For the current and previous year, the True Growth funding from the municipalities was provided for the Workforce Expansion project.

**GREATER SAINT JOHN COMMUNITY ECONOMIC DEVELOPMENT
AGENCY, INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

10. SPECIAL PROJECTS

	<u>Budget</u> <u>2008</u>	<u>Actual</u> <u>2008</u>	<u>Actual</u> <u>2007</u>
REVENUE			
Trade Missions	\$ -	\$ 42,963	\$ 78,880
Propel SJ	15,000	15,000	15,000
Lorneville Barge/Reversing Falls	-	19,166	-
Labour Force Development	-	10,499	46,425
Emerging Entrepreneurship Initiative	125,000	113,475	137,455
Access Atlantica	-	-	77,735
Fusion Saint John	-	-	1,237
N.B. Arts Board	-	-	25,000
Other	-	<u>19,009</u>	<u>-</u>
	<u>140,000</u>	<u>220,112</u>	<u>381,732</u>
EXPENDITURE			
Trade Missions	-	48,584	78,880
Propel SJ	15,000	15,000	15,000
Lorneville Barge/Reversing Falls	-	22,869	-
Labour Force Development	-	11,550	46,425
Emerging Entrepreneurship Initiative	125,000	113,475	137,455
Access Atlantica	-	-	77,735
Fusion Saint John	-	-	1,237
N.B. Arts Board	-	-	25,000
Other	-	<u>15,000</u>	<u>-</u>
	<u>140,000</u>	<u>226,478</u>	<u>381,732</u>
	<u>\$ -</u>	<u>\$ (6,366)</u>	<u>\$ -</u>

11. COMMITMENT

The corporation has entered into a lease agreement for its premises which expires on September 30, 2010. The minimum annual lease payments over the next two years are as follows:

2009	\$ 142,000
2010	106,500

The corporation sublets a portion of its premises to other organizations from which it will recover approximately two-thirds of its costs.

12. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform with the current year's presentation.



Enterprise Saint John

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