



2016 ANNUAL REPORT



downtown
business
association



Downtown Business Association Staff

Left to right

KATHERINE HOY
Manager of Marketing, Communications, and Special Events

TERRI ST. CLAIR
Information Coordinator

IAN O'DONNELL
Executive Director

KAYLA SHAPKA
Marketing Coordinator

MARY DAVIES
Office Manager

Staff photo by David Sutherland

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INTRODUCTION

MISSION STATEMENT

Through its leadership in advocacy and promotion, the Downtown Business Association will ensure that Downtown Edmonton is the preferred place to live, work, shop, play, and learn.

GOALS

As a non-profit organization funded by its members, the goals of the Downtown Business Association are to:

- Promote Downtown Edmonton's image and identity through events, promotions and marketing.
- Communicate the booming nature of Downtown while maintaining the historical esthetic through preservation and revitalization.
- Encourage the highest standards for new developments and promote beautification, safety, and mobility.
- Provide leadership and communicate matters of concern to members, government officials, and the public.

ASSOCIATION LEGAL PROFILE

The Downtown Business Association of Edmonton Business Improvement Area (BIA) was established by a City of Edmonton bylaw on November 26, 1985.

The Association represents and services for-profit businesses located within the geographical boundaries of 111 Street to 95 Street and 105 Avenue to 97 Avenue. The City's official Downtown BIA is Bylaw #7968 (as amended).

The members of the Board of Directors are elected by DBA members, and subsequently approved by City Council. Board members represent large and small businesses and other important institutions within the BIA. The City Councillor who represents Downtown is an ex-officio member of the Board.

The Board of Directors oversees all Association affairs, including the preparation of the annual budget. Upon budget approval by the members and City Council, a uniform rate is established for the levy to all businesses within the BIA. Subject to minimum and maximum charge, the levy appears on the tax notice.

MESSAGE FROM THE CHAIR



Alyson Hodson

On behalf of our Board of Directors, Executive Director Ian O'Donnell, staff, and standing committees I am pleased to present the 2016 Annual Report for the Downtown Business Association (DBA).

Despite a slowing economy 2016 was a very good year for Downtown Edmonton. The construction boom continued, spearheaded by major projects like the Stantec Tower and the JW Marriott Hotel. This meant thousands of well-paying jobs for workers who in turn, spent some of those wages in the Downtown economy. In addition, new shops and businesses opened in the core - many of them restaurants - adding more variety and excitement to our thriving Dining District.

The biggest news of 2016 was the opening of Rogers Place in September. Nearly sixty thousand people lined up to tour the stunning arena which boasts state of the art design, a community rink, the NHL's largest HD score board, and Alex Janvier's breathtaking mosaic, *Iron Foot Place* set in the floor of Ford Hall.

2016 was another successful year for the DBA. We provided grants totalling \$80,000 to 12 Downtown festivals. Our special events like *Downtown Dining Week* and the *DBA Holiday Light Up* drew tens of thousands of people to the heart of the city. With the help of local businesses we were able to beautify the core with brilliant pops of colour through our Bloomin' Boulevards flower program.

We brought businesses together to discuss safety issues at our Spring Security Summit. Our Core Crew Ambassadors continued to be a major draw by attracting more than 800 people to our free, historical walking tours. From late fall to early spring our *Winter Lights* illuminated Downtown streets. And in December we welcomed Ian O'Donnell as our new Executive Director.

And finally, in keeping with our mandate we worked tirelessly on behalf of our members to promote Downtown as the best place to live, work, shop, play, and learn.

I invite you to review the following reports. I'm sure you'll agree that our staff and committees do a great job of promoting a vibrant core and helping businesses prosper. I congratulate them on their dedication and commitment to Downtown.

Thank you for your continued support. We welcome your input and encourage your participation in Downtown events and initiatives, and in the activities of our Association.

MESSAGE FROM THE EXECUTIVE DIRECTOR

A time of transition for both the DBA and our Downtown.

We began 2016 riding a wave of unprecedented construction and anticipation of what was to come in September with the opening of Rogers Place. Downtown continued to be abuzz with cranes, many new restaurants, condos such as Fox and Ultima nearing completion, the opening of Hyatt Place in The Quarters among many others.

We will look back at 2016 and point to it as the year our Downtown moved away from being revitalized, into the next phase of its transformation. Downtown is becoming a much more livable community with new parks, bike lanes and LRT which bring with it more people, shoppers, clients and excitement. Working with the Downtown Edmonton Community League along with partners in the Arts and various social agencies, the DBA continues to bring Downtown together. We are not only city building, we are community building.

The importance of getting back to basics has become a priority for our core: inviting, inclusive, clean, safe, and vibrant. We work alongside and in great partnership with City Council, City Administration, Edmonton Police Service, EEDC, BOMA, the Edmonton Chamber of Commerce, among many others and must continue to all do our collective part to ensure that these tremendous public and private investments pay off.

Looking ahead to 2017, what's old is new again. We are seeing continued investment: grand openings of Enbridge Centre, City of Edmonton Tower, MacEwan University's CFAC and Norquest College's Singhmar Centre for Learning. Capping off 2017 will be the opening of the much anticipated Royal Alberta Museum, a new, yet familiar cultural feather in our Downtown cap.

Finally, a personal and sincere thank you to Jim Taylor for his unwavering dedication to our Downtown over the last 15 years as Executive Director. Much of this Downtown transformation were the fruits of his labour and commitment to ensuring that the Downtown had a strong voice at all times, in all circumstances.

We look forward to celebrating with you, your family and your business, in the ever transforming heart of the city, our Downtown.



Ian O'Donnell

2016 BOARD OF DIRECTORS

The Board of Directors plays a pivotal role in governing the Downtown Business Association's operations, including Management, Economic Development and Finance, Planning, Marketing and Events, and member service functions. The members of the Board are elected at the Annual General Meeting and confirmed by City Council. They represent the diverse needs and interests of the Association's constitution and Downtown Edmonton. The Board of Directors meets regularly to review committee actions and approve the priorities for future Association endeavours, as well as approve and implement strategies and tactics with regard to the Strategic Plan.

MEMBERS

Alyson Hodson, Chair
zag creative

Gord Rajewski, Vice Chair
Williams Engineering

Rick Mussenden, Treasurer
KPMG LLP

Penny Omell, Past Chair
CIBC Wood Gundy

Patrick Saurette, Executive
The Marc

David Atkinson,
MacEwan University

Robert Bothwell,
Bennett Jones LLP

Teresa Clouston,
ATB Financial

Joumana Ghandour,
The Westin Edmonton

Chris Graham,
Shoppers Drug Mart

Ian Large,
Leger

Sheldon Maignes,
Imperial Parking Canada

Mike MacBeath,
EPCOR

Casey McClelland,
Colliers International

Linda Wedman,
The Works Society



EXECUTIVE COMMITTEE

The Executive Committee governs the management function of the Association. Its purpose is to recommend policy, monitor the implementation of the Strategic Plan, review Committee Reports, make recommendations to the Board of Directors, and provide input on overall staff operations. The Executive Committee is also responsible for the finances and financial procedures of the Association.

2016 EXECUTIVE MEMBERS

Alyson Hodson, Chair,
zag creative

Gord Rajewski, Vice Chair,
Williams Engineering

Rick Mussenden, Treasurer,
KPMG LLP

Penny Omell, Past Chair,
CIBC Wood Gundy

Patrick Saurette, Executive,
The Marc



BUSINESS RECRUITMENT COMMITTEE

The Business Recruitment Committee (BRC) focuses on ways to improve the business environment in the Downtown core. Additional projects in the summer and throughout the year are aimed at building an increasingly liveable and walkable Downtown core with a business-friendly environment.

BRC Members are experienced real estate and property management executives who have an interest in making Downtown Edmonton the best place to do business.

2016 BUSINESS RECRUITMENT COMMITTEE

- | | |
|--|---|
| Lance Frazier, Chair,
Cushman Wakefield Edmonton | Denes Nemeth,
AIMCO |
| Gino Bit,
Krahn Developments | Eric Slatter,
Omada Commercial |
| Robert Bothwell,
Bennett Jones LLP | Brad Smith,
Canapen Investments |
| Laura Bradley,
Manulife Real Estate | Glen Scheuerman,
Morguard Investments |
| Nathanial Dyck | Jimmy Shewchuk,
EEDC |
| Casey McClelland,
Colliers International | Sidney Waskiewich,
Qualico Commercial |



2016 BRC HIGHLIGHTS

The Business Recruitment Committee's 2016 communication plan presented a report entitled "Alternate Uses for Redundant Office High Rises" focusing on how older office buildings and spaces can be refurbished in conventional and unconventional ways. It included examples of conversions from around the world: hotels, affordable rental units, student housing, and luxury lofts. This report drew parallels and connections, and provided options for Downtown building owners and developers to move forward at this crucial time. The report was presented to members of the business community and is available on the DBA website.



MARKETING COMMITTEE

The Downtown Business Association's Marketing Committee provides the DBA Marketing Department with input on Marketing and Communications projects like The Guide to Downtown and special events like Downtown Dining Week. These initiatives help meet the objectives identified in the DBA's Marketing and Communications Plan.

Marketing Committee members are talented professionals from the areas of advertising, communications, media, marketing, and business. They are an invaluable resource to the Downtown Business Association.

MEMBERS

Patrick Saurette, Co-Chair
The Marc

Ed Fong, Co-Chair
deVine Wines & Spirits

Moirae Choquette,
EEDC

Marvin Babiuk,
Edmonton Transit Service

Kate Gibson,
Edmonton Public Library

Jon Hall,
104 Street Committee

Ian Large,
Legier

Anastasia Lim,
University of Alberta

Marlene Tasse,
EPCOR

Ed Wong,
ATB Financial

2016 HIGHLIGHTS

- In 2016, 36 of Downtown's finest restaurants served inspired multi-course meals at special prices at Downtown Dining Week. Since its inception in 2004 Dining Week has become the DBA's premiere public event. It draws thousands of food lovers to the core while shining the spotlight on the talented chefs in the Downtown Dining District.
- In May, our *Annual Spring Luncheon* theme was *Starline: A Local Hero*, profiling the growth of this local company with a world-wide reach
- The theme of our *Annual Fall Luncheon and AGM* was *The First 16 Years: The DBA and Downtown in the New Millennium*.
- We celebrated the holiday season at our annual *DBA Holiday Light Up* in November. Twelve-thousand revelers came Downtown to enjoy music, entertainment, and other fun activities leading up to the main event: The arrival of Santa, the official lighting of the giant Christmas tree, and the spectacular fireworks display. This flagship event is an on-going partnership between the Downtown Business Association, EPCOR, Millar Western, and the City of Edmonton.



MARKETING COMMITTEE (continued)

COMMUNITY INVOLVEMENT AND PARTNERSHIPS

- The Downtown Business Association continues to support vibrancy through its Festival Grants Program. In 2016 the Association dispersed \$80,000 in grants to 12 festivals that create excitement and draw hundreds of thousands of people to Downtown Edmonton.
- The Core Crew returned in their role as Downtown Ambassadors. Throughout the summer these post-secondary student provided helpful information to businesses, residents, and tourists; assisted at festivals and special events; and led more than 800 people on our free, historical walking tours of Downtown.
- The Edmonton Food Bank was the DBA's charity for 2016. This organization distributes 20 thousand food hampers monthly through 200 agencies, many of them based Downtown.



OPERATIONS COMMITTEE

The Operations Committee works extensively with various departments of the City of Edmonton and members of the business community regarding infrastructure, safety, and security issues. The objectives of the Committee include proactive projects and monitoring in the areas of Downtown beautification, maintenance, safety, security, and operational matters in both public and private sectors.

The Committee is supported by a wide range of security personnel, civic employees, parking and property management executives who are responsible for the planning and development, daily operations, and management of various Downtown buildings, businesses, transportation, and security.

MEMBERS

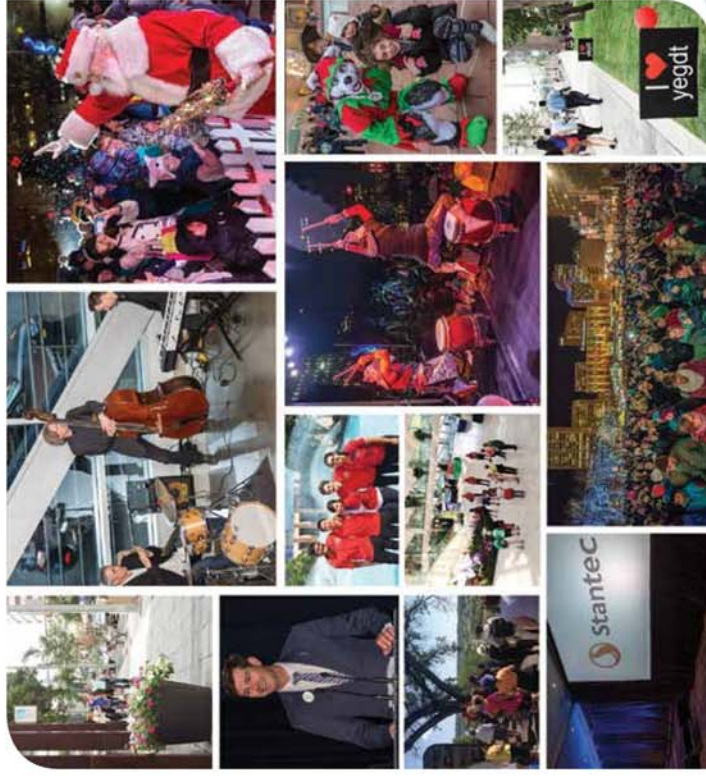
Gord Rajewski, Chair Williams Engineering Canada	Bohdan Maslo City of Edmonton Transportation	Karey Steil City of Edmonton Community Standards
Don Belanger City of Edmonton Community Standards	Luciano Monteiro Edmonton Transit System	David Holdsworth City of Edmonton Sustainable Development
James Ewatski ETS Security	Candis Bohn Capital Power Corporation	Shannon Murray City of Edmonton Citizen Services
Colin Gemmell City of Edmonton Transportation	Raylene Tews EPCOR Utilities	Sergeant David Jones Edmonton Police Service
Sandy Gosselin Capital Power Corporation	Lonny Vanderheide Oxford Properties Group	Constable Nicole Davie Edmonton Police Service
Margaret Li City of Edmonton Transportation	Bob Watson City of Edmonton Community Services, Parks & Roads	
Sheldon Magnes Imperial Parking Canada	Kari Zral City of Edmonton Civic Events	



OPERATIONS COMMITTEE (continued)

2016 HIGHLIGHTS

- The DBA continues to work closely with the City regarding historic changes to our on street parking system. The last remaining coin only parking meters were removed from Rice Howard Way in April 2016. EPark meters have been successfully installed throughout Edmonton and offer a number of payment options, including our Downtown Dollar.
- The DBA continued to partner with the City of Edmonton and their consultants from Applied Wayfinding to implement a cohesive and consistent method of wayfinding, optimizing our pedway system and street level pedestrian movement. New area signage, LRT signage and maps (hardcopy and digital) were installed/introduced in the fall.
- The Operations Committee held a Security Summit in spring 2016, which brought together stakeholders in the Downtown Business Association's Security Network. EPS highlighted trends occurring in the Downtown and the expanded beats program in anticipation of the opening of Rogers Place.
- DBA and several Downtown businesses sponsored 162 Bloomin' Boulevards flower planters, adding cheerful colour to the sidewalks from June through September.



DOWNTOWN BUSINESS ASSOCIATION EVENTS

INDEPENDENT AUDITORS' REPORT

December 31, 2016

To the Members of the **Downtown Business Association of Edmonton**

We have audited the accompanying financial statements of the **Downtown Business Association of Edmonton**, which comprise the statement of financial position as at December 31, 2016, and the statements of changes in net assets, revenue and expenses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Downtown Business Association of Edmonton** as at December 31, 2016, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Canada
March 16, 2017

Ernst & Young LLP
Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

December 31, 2016

As at December 31

	2016	2015
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	378,854	563,791
Short-term investments	205,436	205,671
Accounts receivable	11,818	9,552
Prepaid expenses and deposits	8,474	12,744
Capital assets <i>[note 3]</i>	604,582	791,758
	32,905	1,377
	637,487	793,135
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	173,587	182,494
Provision for redemption of parking tokens <i>[note 4]</i>	130,538	131,961
Commitments <i>[note 5]</i>	304,125	314,455
Net assets		
Internally funded capital assets	32,905	1,377
Internally restricted for specific initiatives	280,457	457,303
Unrestricted	20,000	20,000
	333,362	478,680
	637,487	793,135

See accompanying notes

On behalf of the Board:


Chair


Executive Director

STATEMENT OF CHANGES IN NET ASSETS

December 31, 2016

Year ended December 31

2016	Internally restricted		Total
	Internally funded capital assets	Specific initiatives	
Balance, beginning of the year	1,377	457,303	478,680
Deficiency of revenue over expenses	—	—	(145,318)
Purchases of capital assets	34,984	—	—
Amortization of capital assets	(3,456)	—	—
Transfers from specific initiatives (note 6)	—	(189,000)	—
Transfers to specific initiatives (note 6)	—	12,154	—
Balance, end of the year	32,905	280,457	333,362

Internally restricted

2015	Internally restricted		Total
	Internally funded capital assets	Specific initiatives	
Balance, beginning of the year	4,122	402,974	427,096
Excess of revenue over expenses	—	—	51,584
Amortization of capital assets	(2,745)	—	—
Transfers from specific initiatives (note 6)	—	(21,253)	—
Transfers to specific initiatives (note 6)	—	75,582	—
Balance, end of the year	1,377	457,303	478,680

See accompanying notes

STATEMENT OF REVENUE AND EXPENSES

December 31, 2016

Year ended December 31

	2016	2015
	\$	\$
Revenue		
Business Improvement Area levy	1,169,527	1,169,527
Sponsorships (note 7)	337,435	299,520
Downtown Dollar token sales	15,730	35,169
Advertising and other	20,300	20,750
Interest	2,235	3,306
	1,545,227	1,528,272
Expenses (note 7)		
Special events and programs	662,057	502,157
Public relations and marketing communications	278,546	271,357
Winter Lights program	173,420	162,597
Downtown Dollar program	17,979	37,618
	365,784	313,475
Administration		
Wages and employee benefits	113,774	114,234
Rent and occupancy costs	30,161	27,865
Office	18,676	19,397
Professional fees	6,263	5,791
Telephone and utilities	6,076	4,029
Meetings	5,346	4,423
Postage and courier	3,527	3,516
Insurance	3,456	2,745
Amortization of capital assets	3,379	3,378
Bank charges	2,101	4,106
Travel, training and recruitment	1,690,545	1,476,688
	(145,318)	51,584
Excess (deficiency) of revenue over expenses		

See accompanying notes

STATEMENT OF CASH FLOWS

December 31, 2016

December 31, 2015

Year ended December 31

	2016	2015
	\$	\$
Operating activities		
Received from Business Improvement Area levy	1,169,527	1,169,527
Received from sales, special events and programs	62,564	90,400
Amounts paid to vendors and employees	(1,384,514)	(1,053,447)
Interest received	2,470	3,493
Cash provided by (used in) operating activities	(149,953)	209,973
Investing activities		
Purchases of capital assets	(34,984)	—
Increase in short-term investments	—	(87)
Cash used in investing activities	(34,984)	(87)
Increase (decrease) in cash and cash equivalents	(184,937)	209,886
Cash and cash equivalents, beginning of the year	563,791	353,905
Cash and cash equivalents, end of the year	378,854	563,791

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF THE ORGANIZATION

On November 26, 1985, the City of Edmonton Municipal Council passed a Bylaw establishing the Downtown Edmonton Business Revitalization Zone (renamed Business Improvement Area effective January 1, 2017) and incorporating the Downtown Business Association of Edmonton [the "Association"] under the Municipal Government Act.

The mandate of the Association is to "promote Downtown Edmonton as the preferred place to work, shop, live, play and learn." Its goals are to promote Downtown Edmonton's image and identity through events, attractions and marketing; to encourage planning and environmental standards for new developments; and to promote beautification, safety and mobility; to provide leadership and to communicate matters of concern to members, government officials and the public.

The Association is a not-for-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements were prepared in accordance with Part III of the Chartered Professional Accountants of Canada Handbook – Accounting Standards for Not-for-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada, and include the significant accounting policies described hereafter.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and term deposits with initial maturity dates of less than 90 days.

Short-term investments

Short-term investments consist of term deposits with initial maturity dates of between 90 and 365 days.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Purchased tangible and intangible capital assets are recorded at acquisition cost. Contributed tangible and intangible capital assets are recorded at fair value at the date of contribution. Amortization is determined using the straight-line method over the estimated useful lives of the assets as follows:

Tangible	
Tokens	3 years
Office equipment and furniture	5 years
Computer equipment	3 years
Tenant improvements	Over the lease term
Intangible	
Website	3 years

Revenue recognition

The Association follows the deferral method of accounting for contributions, which include grants and donations. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Grants are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts.

Contributions for the acquisition of capital assets are presented as "deferred contributions – capital" and are amortized to revenue on the same basis as the acquired capital assets are amortized.

Sponsorships and sales are recognized when the services have been provided.

Contributed materials, services and facilities

The Association records contributed materials, services and facilities in those cases where:

- [a] the Association controls the way they are used;
- [b] there is a measurable basis for determining fair value; and
- [c] the services are essential services which would normally be purchased and paid for if not contributed.

Otherwise, contributed materials and services are not recorded in the financial statements.

Financial instruments

Short-term investments are recorded at fair value. Other financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at fair value and subsequently measured at amortized cost.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

3. CAPITAL ASSETS

Year ended December 31

	2016		2015	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Tangible				
Tokens	16,150	16,150	16,150	16,150
Office equipment and furniture	100,983	86,873	85,669	85,483
Computer equipment	23,966	20,027	19,665	18,595
Tenant improvements	79,853	64,997	64,484	64,484
	220,952	188,047	185,968	184,712
Intangible				
Website	19,650	19,650	19,650	19,529
	240,602	207,697	205,618	204,241
Net book value		32,905		1,377

4. PROVISION FOR REDEMPTION OF PARKING TOKENS

The provision for redemption of parking tokens represents the Downtown Dollar parking tokens sold but not redeemed at year-end. The provision is based on 100% of the tokens sold being redeemed. The actual redemption expense may be lower if some of the tokens sold are not ultimately redeemed.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

5. COMMITMENTS

The Association is committed to future minimum annual lease payments required under operating leases for office equipment and premises as follows:

	\$
2017	292,629
2018	315,502
2019	237,048
2020	237,048
2021	235,856
	1,318,083

The annual commitments include estimated operating costs and property taxes based on current year amounts.

The Association, acting as agent for the Art and Design in Public Places Program, is committed to provide to The Works Visual Arts Society various services and support with a cash and in-kind value of \$29,500 per annum ending December 31, 2018. Services and support expected to be provided include meeting facilities, access to office equipment, clerical support, volunteer support and general support.

In 2009, the Association entered into an agreement with the City of Edmonton to fund the replacement of old Christmas lights with a new Winter Lights program, designed to enhance the look of Downtown Edmonton throughout the winter months. The Association is committed to paying the City of Edmonton approximately \$175,000 per year until 2018 and approximately \$125,000 per year thereafter for an indeterminate period.

6. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has formally imposed restrictions on certain of the Association's net assets. Internally restricted net assets used to fund specific spending initiatives in support of the Association's mandate are approved by the Board of Directors from time to time.

For the year ended December 31, 2016, \$189,000 [2015 – \$21,253] was approved by the Board of Directors to be used for specific initiatives, as below:

December 31, 2016

Year ended December 31	2016 \$	2015 \$
Contribution to the 108th Street Boulevard lighting project	120,000	—
Business Improvement Area levy subsidy	28,050	—
Boyle Street Community (Downtown Proud) sponsorship	6,000	6,000
Other Board of Directors initiatives	34,950	15,253
	189,000	21,253

The Board of Directors also approved the transfer of \$12,154 [2015 – \$75,582] to internally restricted net assets to fund future initiatives.

7. CONTRIBUTED MATERIALS, SERVICES AND FACILITIES

Sponsorships revenue includes contributed materials, services and facilities of \$308,635 [2015 – \$269,520], which are equally offset by amounts recorded in a number of expense categories.

8. FINANCIAL INSTRUMENTS

The Association is exposed to various financial risks through transactions in financial instruments.

Credit risk

The Association is exposed to credit risk in connection with its short-term investments and accounts receivable because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The Association monitors outstanding accounts receivable balances regularly and allows for uncollectible amounts when determined. Short-term investments are invested with a large financial institution. There has been no change to credit risk from the prior year.

Interest rate risk

The Association is exposed to interest rate risk with respect to its fixed rate investments because the fair value will fluctuate due to changes in market interest rates. There has been no change to interest rate risk from the prior year.

Liquidity risk

The Association is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Association manages liquidity risk by monitoring its operating requirements, and prepares a budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to liquidity risk from the prior year.

2016 EXECUTIVE COMMITTEE



Alyson Hodson,
Chair,
Zag creative



Gord Rajewski,
Vice Chair,
Williams Engineering



Rick Mussenden,
Treasurer,
KPMG LLP



Penny Omell,
Past Chair,
CIBC Wood Gundy



Patrick Saurette,
Executive Director,
The Marc

2016 BOARD OF DIRECTORS



David Atkinson,
MacEwan University



Robert Bothwell,
Bennett Jones LLP



Teresa Clouston,
ATB Financial



Journama Ghandour,
The Westin Edmonton



Chris Graham,
Shoppers Drug Mart



Ian Large,
Lager



Sheldon Magnoes,
Imperial Parking Canada



Mike MacBeath,
EPCOR



Casey McClelland,
Collier International



Linda Wedman,
The Works Society



**Ex-Office,
Councillor
Scott McKeen,**
City of Edmonton

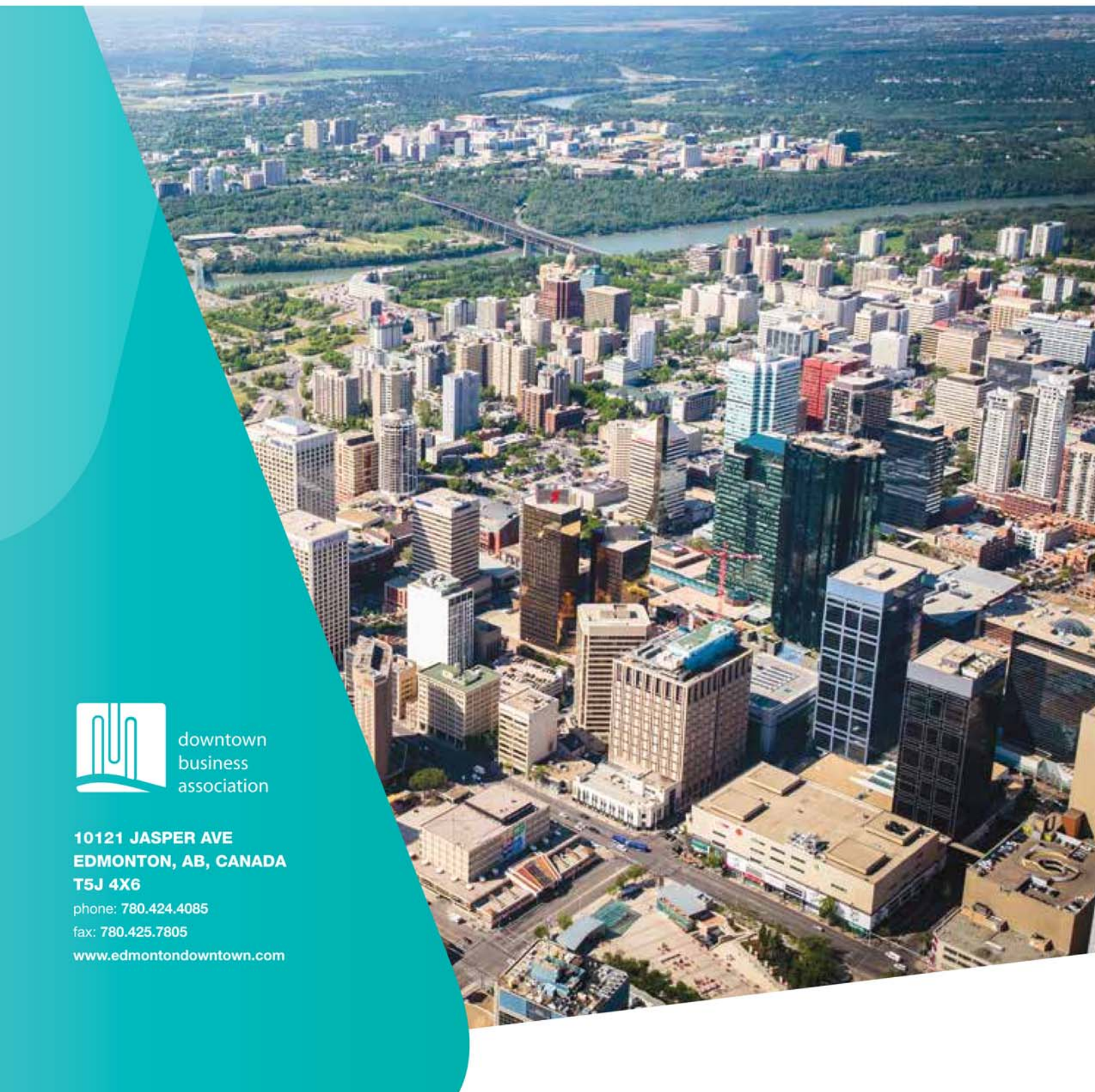


**Ex-Office,
Councillor
Walter Trocenko,**
City of Edmonton



**Executive Director,
Jim Taylor**





downtown
business
association

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