

DIFFERENT IS GOOD.

Attachment 5

2023
ANNUAL
REPORT







MESSAGE FROM THE CHAIR

DOWNTOWN

To our Downtown business community, I write this letter as the Edmonton Downtown Business Association continues to navigate a constantly changing and evolving downtown. Looking back on 2023, the year has once again shown us that historic transitions can lead to historic opportunities for meaningful and positive change.

Through it all, the EDBA board and staff have been guided and united by our strategic goals and we share the important responsibility to help enable long-term prosperity for the 1,400 members we serve and the downtown community.

In 2023, the state of retail remained a hot topic for downtown Edmonton and our organization firmly set its sights on the next phase of growth. At our annual luncheon, we presented the Downtown Edmonton Streetfront Retail Report and proudly launched the Edmonton Downtown Retail Attraction Program to enable six new retailers to open downtown. Alongside our incredibly resilient long-standing downtown retailers, this program will help drive a diverse retail base that will make downtown a more attractive destination.

Looking ahead, I am optimistic about the EDBA's strengthened role in shaping a vibrant and prosperous downtown to live, work and play. We are particularly thankful for the opportunity to play an ongoing role in the City of Edmonton's Downtown Vibrancy Fund and help prioritize the many projects that support downtown's vibrancy and economic recovery.

I am also proud of our ability to increasingly deliver services that bring significant value to our members. Cleanliness and safety have always been a top priority for the EDBA and we are constantly evaluating and

enhancing our programs to ensure that we are meeting the needs of a changing downtown. Under our Core Care program in 2023, we launched Night Patrol to help keep downtown streets safe at night, our Downtown Ambassadors to improve the downtown experience during the day, and we expanded and renamed our litter pickup and street cleaning program, now called Downtown Shine.

This year, I was particularly proud of how we embraced international best practices through our participation in the International Downtown Conference in Chicago. The insights gained have already started to influence the work we do and will continue to shape future initiatives.

I want to extend my heartfelt thanks to the entire EDBA team whose dedication and hard work have been nothing short of inspiring. The guidance of our board members and the active engagement of our committees have also been pivotal in navigating this year's challenges and opportunities.

As we move into the new year, let us continue to champion the revitalization of our downtown with vigor and vision. I encourage each of you to remain engaged and proactive in our collective efforts to shape the future of downtown Edmonton.

Warm regards,

Keenan Pascal
Chair,
Edmonton Downtown Business Association

WHO WE ARE

The Edmonton Downtown Business Association (EDBA) is an independent body from the City of Edmonton and is responsible for the Edmonton Downtown Business Improvement Area (BIA).

As the lead activator and advocate shaping Downtown Edmonton, we work on behalf of our member businesses to support and deliver a vibrant and remarkable Downtown experience rooted in inclusion, diversity, prosperity and resilience.

STRATEGIC GOALS

From 2021-2023, the EDBA focused and prioritized its work based on the following strategic priorities:

- 1 SERVING AS THE LEADING VOICE AND CONVENING FORCE IN DOWNTOWN RECOVERY**
- 2 ENSURING THE DOWNTOWN COMMUNITY IS ACTIVE IN SOLUTIONS TO SYSTEMIC SOCIAL ISSUES**
- 3 GENERATING CONTINUOUS SERVICE VALUE FOR MEMBERS**
- 4 CREATING AND PROMOTING A REMARKABLE, ATTRACTIVE DOWNTOWN EXPERIENCE**



The DBA respectfully acknowledges that we are located on Treaty 6 territory, a traditional gathering place for diverse Indigenous peoples including the Cree, Blackfoot, Métis, Nakota Sioux, Iroquois, Dene, Ojibway/ Saulteaux/Anishinaabe and many others whose histories, languages, and cultures continue to influence our vibrant community.



DIFFERENT IS GOOD.

SERVING AS THE LEADING VOICE AND CONVENING FORCE IN

DOWNTOWN RECOVERY



EDBA's CEO, Puneeta McBryan (pictured far right) leads the Imagining Downtown: Restoring Retail panel discussion.

PARTNERED ON DOWNTOWN EDMONTON STREETFRONT RETAIL REPORT

In 2023, the University of Alberta's Centre for Cities and Communities released The Downtown Edmonton Streetfront Retail Report at the EDBA's annual fall luncheon. The baseline report presents an in-depth analysis of streetfront retail across downtown, provides a snapshot of streetfront retail vacancies by categories, offers insights into the types of businesses that are thriving, identifies key opportunities to enhance the retail experience and puts forward recommendations on how to support a strong retail environment. By establishing a baseline understanding of downtown's retail health, this report is a valuable resource for policy initiatives and future planning for the EDBA.

PRESENTED IMAGINING DOWNTOWN: RESTORING RETAIL

What are the most pressing issues facing downtown Edmonton and other city centres across North America? Annually, the EDBA leans into these important conversations with our business community, partners, and elected leaders at our Imagining Downtown luncheon. Recognizing downtown's changing main streets and the importance of a strong retail sector, the 2023 fall luncheon centred on the presentation of the Downtown Edmonton Streetfront Retail Report. An insightful panel discussion around the opportunities and challenges facing downtown retailers and property owners followed the presentation. The first three recipients of the Retail Attraction Program were also announced at the luncheon.

ATTRACTED SIX NEW RETAILERS WITH NEW GRANT PROGRAM

In 2023, Downtown's streetfront retail occupancy sat at 66%. In response, the EDBA designed and launched an incentive program to attract unique new retailers to the core. Under the Edmonton Downtown Retail Attraction Program, six retailers were eligible to receive up to \$215,000 to help offset startup costs of opening a new store downtown. Commercial real estate advisor Avison Young was brought onboard to provide project management expertise, assist in site selections, help negotiate leases and facilitate permitting. Under the grant, the six new retailers also had access to marketing and communications support provided by Berlin Communications. Funding for this project was provided by the Government of Alberta with a one-time grant for downtown revitalization and economic development activities. Additional funding and support for this project was provided by the City of Edmonton as part of the ongoing Downtown Vibrancy Fund.

HELPED TO STEER AND ADMINISTER THE DOWNTOWN VIBRANCY FUND

Since its inception in 2021, the City of Edmonton has continued to empower the downtown community to address our most pressing challenges through investments from the Downtown Vibrancy Fund. Through 2023, the EDBA remained a member of the Core Partners Committee and continued to play a lead role in implementing the Downtown Vibrancy Strategy, in part through the annual \$5 million fund to support downtown events, infrastructure improvements and safety projects.

MET WITH MPS AND FEDERAL MINISTERS ON PARLIAMENT HILL

For the first-time ever, leaders from Canadian downtown BIAs participated in a Hill Day of advocacy for downtowns. It was an opportunity for the EDBA and our national counterparts to meet one-on-one with Members of Parliament and other federal representatives and officers in Ottawa to address the issues that matter most to our business members. Key issues discussed with MPs were infrastructure investments, federal action on mental health and community well-being issues and improved municipal infrastructure investments. The meetings also identified opportunities for further collaboration.



EDBA's CEO, Puneeta McBryan (pictured second from the left) on Parliament Hill with her counterparts from Toronto, Winnipeg, Montreal, Victoria, and Halifax.

ADVOCATED ALONGSIDE THE DOWNTOWN RECOVERY COALITION

As a member of the Downtown Recovery Coalition (DRC), the EDBA continues to advocate for increased support and investments by all orders of government into downtown and policy changes to address our most pressing challenges. The year saw many advocacy wins by the DRC and its steering committee members including the EDBA, such as additional investment into downtown cleanliness, increased social support services and shelter spaces, and improved public safety enforcement on transit.

ATTENDED AND PRESENTED AT THE INTERNATIONAL DOWNTOWN ASSOCIATION CONFERENCE

Annually, the EDBA joins more than 1,000 downtown leaders and place managers from across North America and the world at the International Downtown Association Conference. The 2023 conference was held in Chicago. The annual conference is an important and

highly impactful opportunity to learn about best practices, proven strategies, emerging trends and developments, and practical solutions that can be applied to downtown Edmonton. Our CEO presented to international colleagues as a sector leader on two panels, and we brought back several learnings from other cities that have been shared with local partners and even adopted into some of EDBA's 2023 activities and future plans.

PARTNERED ON THE DOWNTOWN PEDESTRIANIZATION PLAN

Edmonton's downtown streets need to move a growing number of people more efficiently in a number of different ways and need to be attractive and vibrant public spaces that help contribute to economic development. In 2023, the EDBA lent our perspectives and our expertise to the Downtown Pedestrianization Plan written and authored by UDI-Edmonton and Paths for People. The report is intended to examine ways to improve

the pedestrian experience in downtown Edmonton and prioritize recommendations to support the City's work on this topic. Some of the recommended actions include expanding sidewalks, encouraging developers to integrate private/public spaces, enhancing streetscapes and upgrading cycling infrastructure.

LED AND PARTICIPATED IN DOWNTOWN WALKABOUTS

EDBA-led walkabouts of downtown streets continue to be a critical opportunity for us to meet in-person with our member businesses, City managers and planners, social service agencies, and policing and security organizations to identify successes and challenges of the daily downtown experience and its impact on our local economy. In 2023, three walkabouts were conducted by our Operations team, including one for BOMA Canada's national executive committee as part of the 2023 BOMEX Canada conference.

The voice of downtown

The EDBA advocates for issues affecting our community and business members in many ways. Here's how we did that in 2023:



Spoke at 7+ Edmonton City council hearings and committee meetings



Attended meetings with 4+ MPs and 3 Federal Cabinet Ministers



Met with 8+ provincial MLAs and 4 Provincial Cabinet Ministers



Mentioned in 100 stories by major news outlets, and more than 30 mentions in other news providers.

Generating continuous service value for members

BEYOND THE BASICS

How EDBA's Director of Operations is making downtown streets safer and cleaner for everyone

Few people give much thought to the design of the litter bins that are on downtown streets, but it's something that Dinu Alex, the EDBA's Director of Operations, thinks about all the time. When he's walking from his office to meetings, he's taking note of what each bin is made of (usually concrete aggregate or plastic) and which bins are in disrepair. Even when he's vacationing in other cities, he's taking photos of what bins work best.

It's all part of the work that Alex does to manage Core Care, the association's cleanliness and safety programs - Downtown Shine (formerly Downtown Proud), Night Patrol and the Downtown Ambassadors. "Core Care provides supplemental services beyond the baseline that the City provides," says Alex. "It's about adding to the basic services that make downtown a place where people want to be, whether it's to work, live or play," says Alex.

To run Core Care well, Alex reviews best practices from cities across North America and connects regularly with other downtown managers to see what can be applied here in Edmonton. "What works in downtown Minneapolis isn't necessarily going to work in this market, but we're taking the learnings from our counterparts to build something unique for downtown Edmonton."



"[The Ambassadors] also build ties with our business members, dropping in regularly to connect them with needed EDBA and City of Edmonton resources, such as grants for storefront improvements, patios, graffiti cleanup, broken windows, etc."



Two of the EDBA's new Downtown Ambassadors pictured here in 2023.

For example, the idea for the EDBA's Downtown Ambassadors program is borrowed from similar initiatives in cities like Winnipeg, Vancouver, Calgary and Minneapolis/St. Paul. The Edmonton Downtown Ambassadors program, which rolled out in late 2023, provides a welcoming face for people visiting. The team of six Ambassadors patrol streets and pedways assisting visitors with directions and answering questions about things to do in the area. "They also build ties with our business members, dropping in regularly to connect them with needed EDBA and City of Edmonton resources, such as grants for storefront improvements, patios, graffiti cleanup, broken windows, etc."

What really motivates Alex is that the job is never the same from week to week. "Yes, there are routine basic services that we manage, but often with Core Care we're responding to concerns brought to us from our member businesses or from what the Ambassadors see on the streets." Last year, he expanded the Downtown Shine program beyond litter pickup to include pressure washing sidewalks north of Jasper Avenue between 100 Street and 105 Street to 103 Avenue, removing stains, gum and years of built-up grime.

One thing that Alex has learned from other cities is that keeping downtown sidewalks clean isn't always about having more bodies on the street or putting out more garbage bins. "It's not about the number of cans on the streets, it's about having the right ones. The type of garbage bins used shouldn't be contributing to the problem."

Recently, Core Care rolled out a new garbage can design to solve the issue of often-overflowing bins and trash strewn nearby. Alex learned about how Portland, Oregon, was handling similar litter challenges. Portland's bins have separate covered containers for garbage and recyclables, allowing anyone looking for a can to pick them out without tossing the garbage all over the sidewalk.

And this is how the EDDBA's smart garbage can pilot project was born. Ten new garbage cans with twice the capacity were placed across downtown. It was a simple but genius solution, but this project went even further. Working with TELUS, sensors were placed at the bottom of the garbage cans to allow the EDDBA to remotely monitor how full the garbage cans get during the day.

"We're hoping that the City of Edmonton can use this data to inform their garbage collection times," says Alex. "And we're sharing what we learned about using technology to improve garbage collection with other cities."



“We’re taking the learnings from our counterparts to build something unique for downtown Edmonton.”



IT’S BEEN A BUSY YEAR FOR THE OPERATIONS TEAM, LAUNCHING AND MANAGING NEW CORE CARE PROGRAMS. SAFETY AND SECURITY ARE ALWAYS TOP OF MIND FOR EDBA. YEAR-ROUND, THE ASSOCIATION WORKS WITH PARTNERS TO ADVOCATE FOR MORE BOOTS ON THE GROUND AND MORE SUPPORT FOR THOSE IN NEED.

Recognizing the gaps in overnight security services and who is at risk, Night Patrol was officially launched in 2023. The program has two teams, each comprised of a security professional from Backwoods Security, an Indigenous-owned company, and a peer support worker from Boyle Street Services. In pairs, the guard and support

worker patrol downtown in marked vehicles seven days a week from 12:30 a.m. to 8:30 a.m. They conduct physical and visual checks of buildings and storefronts, helping to reduce break-ins, property damage and graffiti. The integrated approach also allows the Night Patrol teams to connect those at risk with community resources.

The goal is not to be intimidating but to try to de-escalate conflicts, whether it be someone who may have had too much to drink or a community member in need of assistance. “I think the big success of Night Patrol is that the teams are approachable and compassionately address situations. It’s about making downtown a safe and welcoming place for all.”

THE HEART OF CORE CARE

The EDBA Operations Team manages Core Care, a suite of cost-effective programs to keep downtown streets and public spaces clean and safe for everyone to enjoy. Core Care provides supplementary services but does not replace basic services provided by the City of Edmonton. The three main Core Care services offered are Downtown Shine, Night Patrol and Downtown Ambassadors.

DOWNTOWN SHINE

Provides routine litter collection seven days a week on busy commercial streets throughout downtown. Covering over 11 square kilometers, the work of keeping sidewalks and curbs clean and free of litter, trash and other forms of debris is done in partnership with our non-profit partner Hire Good. In 2023, the program formerly known as Downtown Proud was rebranded to Downtown Shine and EDBA increased its investment in the program. Shifts were doubled in the summer. New equipment was purchased and sidewalk pressure washing services were added. In 2023, Downtown Shine collected 2,581 bags of garbage, an increase of 43 percent from the previous year. The team also picked up 444 needles over the year. Additional funding was provided by the City of Edmonton.

NIGHT PATROL

In spring 2023, the EDBA launched Night Patrol to address the growing concerns of safety in the core. Seven days a week from 12:30 a.m. to 8:30 a.m., two teams comprised of a security professional and a peer support worker, patrol downtown in marked vehicles. The units drive around the area and act as an additional set of eyes on the street at night, conducting visual checks of business storefronts, buildings and downtown public assets. While not a replacement for 911, Night Patrol is trained to de-escalate dangerous situations and connect those at risk with community resources. In 2023, Night Patrol responded to 1,065 incidents. One quarter of the calls were wellness checks, followed by property disturbances and trespassing. The team reported 23 fire-related incidents to first responders allowing for early response. Night Patrol is funded by the City of Edmonton through the Downtown Vibrancy Grant.

OTHER KEY HIGHLIGHTS

BUSINESS ADAPTATION AND REVITALIZATION PROGRAM

In the current economic climate, it's never been more important for small businesses to explore new ways of attracting customers. In 2022, EDBA started a Business Adaptation and Revitalization Program to help provide business advice and marketing support for up to six businesses. A partnership with the City of Edmonton and U of A business students, member businesses worked with student consultants to develop a business strategy, business model, marketing plan and an action plan to help grow their business. Services offered ranged from Shopify support to targeted digital ad campaigns to improved storefront signage.

DOWNTOWN AMBASSADORS

Downtown Ambassadors contribute to the EDBA's efforts to provide a greater visible presence in downtown Edmonton and provide a hospitable and welcoming experience for those who work, play or live in the downtown core. Pairs of Ambassadors patrol downtown streets and pedways six days a week greeting visitors, providing tourism information and directions about the core. They also engage with member businesses to connect them with needed EDBA services and resources. Additionally, Downtown Ambassadors track and report public assets (light poles, street signs, garbage cans, etc.) in need of repair or immediate attention to our partner agencies and the City of Edmonton. Additional funding for Downtown Ambassadors is provided by the City of Edmonton through the Downtown Vibrancy Grant.



THE EDMONTON DOWNTOWN GIFT CARD

The Edmonton Downtown Gift Card is one of our key marketing initiatives used to drive consumer spending directly to downtown businesses. Beyond sales, the gift card has helped to drive new customers to businesses and increase awareness of the Edmonton Downtown place brand. Gift card sales in 2023 totalled \$155,525 to be spent at 59 participating downtown businesses.



CREATING AND PROMOTING
A REMARKABLE,

ATTRACTIVE DOWNTOWN EXPERIENCE

KEY HIGHLIGHTS OF THE YEAR

SUPPORTED RESTAURANTS WITH DOWNTOWN DINING WEEK

In 2004, Downtown Dining Week debuted with 16 restaurants showcasing their best dishes with the aim of attracting new customers to downtown's growing culinary scene. Two decades later, the annual event has grown to 60+ participating restaurants that are as diverse as the city itself. Running for 10 days in March, the 2023 edition of Downtown Dining Week featured prix-fixe menus at \$15, \$35, \$50 and \$65 for lunch, brunch and dinner. New promotions included an Edmonton Downtown Gift Card promo injecting \$44,925 directly to participating business through gift card sales alone and a hotel promo which saw more than 75 overnight hotel stays booked at downtown hotels. As always, the program encouraged locals and visitors to explore downtown's restaurant scene while helping to support small businesses and the hospitality industry. In total, the program saw 115K pageviews on the EDBA website from 53,441 users.

The 2023 Downtown Dining Week webpage had 115,000 views from over 53,000 individuals.



LAUNCHED A DOWNTOWN PATIO GRANT PROGRAM

Year-round restaurants are an essential contributor to enhancing the unique character and vibrancy of downtown streets. And come summertime, restaurant patios play an even more important role in animating the public realm. In February, the EDBA launched a Downtown Patio Grant providing up to \$5,000 per eligible business to help cover the costs of building a new patio or making improvements to an existing one. Funded by the City of Edmonton, 29 restaurants and/or bars received funding to refresh and make improvements to their patios. The grant also enabled restaurants to access funds to help meet new City of Edmonton design and construction standards introduced in 2023.



POPPED UP ART AND PROGRAMMING IN PUBLIC SPACE

Kicking off Edmonton's summer festival season is one that truly stands by its name: Downtown Spark. In its third edition, festival goers saw immersive international art and local art pieces pop up across downtown for 10 days in May. Free programming at Alex Decoteau Park, one of five Spark locations, included video dance parties, a dog-friendly beer garden and a science day for kids, drawing younger age groups and new audiences to the downtown core. The festival wrapped up with the Downtown Spark Block Party on Macdonald Drive showcasing some of Canada's best country and folk artists. Just over 30,000 people attended the festival over 10 days, a 20% increase from the previous year, and an estimated \$870,000 economic impact to downtown's local economy. Additional funding support for Downtown Spark came from the Government of Alberta through a one-time grant, the City of Edmonton's Downtown Vibrancy Fund, Triovest, Enbridge Centre and Backwoods Security.

KEPT DOWNTOWN STREETS IN FULL BLOOM

The EDBA plans, funds and manages Blooming Boulevards, a summer beautification that sees additional flowers placed on streets beyond the basics services provided by the City of Edmonton and property owners. In 2023 from May through to September, our increased investment saw a total of 175 barrels and hanging baskets placed on downtown streets and at key intersections.



Just over 30,000 people attended Downtown Spark over 10 days, a 20% increase from the previous year, and an estimated \$870,000 economic impact to downtown's local economy.

CONTINUED TO ACTIVATE 104 STREET DURING THE SUMMER

Al Fresco on 104 continued to play a crucial role in contributing to a vibrant and urban downtown experience on one of the city's most iconic streets. Over 10 Saturdays in July and August, the summer public market welcomed more than 11,597 visitors, a total of 42 vendors. More than just a market, Al Fresco on 104 was a shared public space, delivering arts, cultural and wellness programming. The EDBA continued to partner with area businesses to support shared uses of the roadway in the evenings, resulting in Kelly's Pub's inaugural Rock the Block concert and its annual Show 'N Shine held on two separate Saturdays.

BROUGHT MORE ART TO STREETS

In 2023, the City of Edmonton launched a Vibrant Streets program to explore innovative ways to beautify public spaces and provide new opportunities for local artists to showcase their work.

The EDBA was one of several organizations that consulted on the program to identify suitable locations, artists and concepts. By the end of the summer, five utility boxes designed by Stantec were completed, featuring artwork emphasizing the importance of diversity and inclusion.

WINTERVAL

The EDBA closed out the year with the launch of a new winter festival called Downtown Winterval. The inaugural event took place on the iconic 104 Street over two days and featured free concerts, art installations, horse-drawn sleigh rides, an indoor Christmas market, photos with Santa, an outdoor beer garden and activations and specials at 27 participating downtown businesses. Attendance over the two days was estimated at 20,000. Downtown Spark presenting partners were The City of Edmonton, and EPCOR, with additional support from Michael Phair Park Group, Hiregood, Edmonton Community Foundation, Delta Hotels, and ATB.



The two-day attendance at the 2023 Downtown Winterval was estimated at 20,000.

Social Media Snapshot

WEBSITE TRAFFIC
2023 total
pageviews 768K

2023 TOP THREE WEB PAGES

- Downtown Dining Week 115K
- Downtown Spark 68K
- Downtown Winterval 33K

2023 INSTAGRAM GROWTH
↑ 29% follower increase
21,544 total followers

2023 LINKEDIN GROWTH
↑ 35% follower increase
2,174 total followers

2023 TIKTOK GROWTH
↑ 20% follower increase
1,262 total followers

2023 FACEBOOK GROWTH
↑ 8% follower increase
7,380 total followers



Visitors enjoy Taste of Edmonton on Churchill Square, one of many festivals supported by the EDBA's Festival & Events Grant.





Pictured: the team from HireGood, the EDDBA's primary social enterprise partner.



ENSURING THE DOWNTOWN COMMUNITY IS **ACTIVE IN SOLUTIONS** TO SYSTEMIC SOCIAL ISSUES.

CONTINUED BUILDING A CULTURE OF INCLUSION

The EDDBA continues to make progress towards developing a more diverse and inclusive workplace at staff and board director levels that broaden the range of perspectives and experiences guiding the work we do. Year after year, representation of women and visible minority groups has increased at all levels. In 2023, just over 50% of the EDDBA's board was represented by women. People of colour, represent 25% of the board makeup. On the staff side, the organization is led by an all-woman leadership team and 50% of the full-time, permanent staff are people of colour.

SUPPORTED DIVERSITY & INCLUSION IN THE COMMUNITY

The EDDBA is committed to supporting diversity and inclusion by directly supporting a range of inclusive events and programs in our community. Through two programs, the EDDBA allocated \$40,000 to support projects and events that build diversity and inclusion in our downtown community, such as multicultural business networking, queer history tours and Indigenous arts programs. Many new and growing events, such as Edmonton Drag Festival, would not happen downtown if it weren't for our continued support.

TORE DOWN BARRIERS

In 2023, the EDDBA continued to maintain a strong working relationship with non-profit Hiregood. Owned by Boyle Street Community Services, Hiregood is a social enterprise that provides meaningful employment to people experiencing homelessness and poverty. EDDBA's Downtown Shine program provides year-round employment opportunities for Hiregood clients, assisting in EDDBA's effort to provide additional street cleaning services beyond those offered by the City of Edmonton.

Visitors enjoy the Stanley Milner Library in the heart of downtown. EPL (Edmonton Public Libraries) is one of the EDBA's close community partners.



2023 BOARD OF DIRECTORS



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2023

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Finance & Administration
Director

Tracy Hyatt
Marketing &
Communications
Director

Saz Massey
Marketing Manager

Dinu Alex
Operations Director

Carolyn Playdon
Public Space Activations
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Coordinator

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Partnerships & Event
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Chris Ng-Muk-Yuen
Edmonton Oilers Group

Nykala Shone
Explore Edmonton

Timothy Starchuk
EPCOR

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Boyle Street Services

Marnie Sutor
AKSIS

Todd Worrell
TELUS

EDBA 2023 STAFF





INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Downtown Business Association of Edmonton

OPINION

We have audited the financial statements of **Downtown Business Association of Edmonton** [the "Association"], which comprise the statement of financial position as at December 31, 2023, and the statement of changes in net assets, statement of revenue and expenses and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and its results of operations and its 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

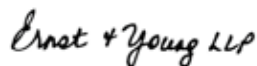
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association'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 Association 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.

The logo for Ernst & Young LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

Edmonton, Canada

March 21, 2024

STATEMENT OF FINANCIAL POSITION

As at December 31

	2023	2022
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	2,242,394	1,152,013
Short-term investments	209,199	206,041
Accounts receivable	91,536	237,221
Prepaid expenses and deposits	44,508	19,676
	2,587,637	1,614,951
Capital assets <i>[note 3]</i>	183,693	173,853
	2,771,330	1,788,804
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	344,099	235,912
Deferred Business Improvement Area levy	426,887	372,389
Deferred grant revenue	1,319,024	419,783
Current portion of deferred lease inducement	10,692	7,004
	2,100,702	1,035,088
Deferred lease inducement	20,379	13,376
Deferred contributions - capital	20,413	-
	2,141,494	1,048,464
Commitments <i>[note 4]</i>		
Net assets		
Invested in capital assets	183,693	173,853
Internally restricted	446,143	566,487
	629,836	740,340
	2,771,330	1,788,804

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	2023			Total
	Internally restricted			
	Internally funded capital assets	Specific initiatives	Unrestricted reserves	
\$	\$	\$	\$	
Balance, beginning of the year	173,853	566,487	-	740,340
Deficiency of revenue over expenses	-	-	(110,504)	(110,504)
Purchase/acquisition of capital assets	67,436	-	(67,436)	-
Amortization of capital assets	(57,596)	-	57,596	-
Transfers to specific initiatives <i>[note 5]</i>	-	42,411	(42,411)	-
Transfers from specific initiatives <i>[note 5]</i>	-	(162,755)	162,755	-
Balance, end of year	183,693	446,143	-	629,836

	2022			Total
	Internally restricted			
	Internally funded capital assets	Specific initiatives	Unrestricted Reserves	
\$	\$	\$	\$	
Balance, beginning of the year	29,036	537,702	-	566,738
Excess of revenue over expenses	-	-	173,602	173,602
Purchase/acquisition of capital assets	106,043	-	(106,043)	-
Amortization of capital assets	(25,125)	-	25,125	-
Purchase of capital assets through grants	67,445	-	(67,445)	-
Amortization of capital assets through grants	(3,546)	-	3,546	-
Transfers to specific initiatives <i>[note 5]</i>	-	116,600	(116,600)	-
Transfers from specific initiatives <i>[note 5]</i>	-	(87,815)	87,815	-
Balance, end of the year	173,853	566,487	-	740,340

See accompanying notes to the financial statements

STATEMENT OF REVENUE AND EXPENSES

Year ended December 31

	2023	2022
	\$	\$
REVENUE		
Grants <i>[note 9]</i>	2,072,260	986,156
Business Improvement Area levy	1,489,554	1,324,274
Sponsorships <i>[note 6]</i>	181,582	180,628
Interest	15,545	4,568
Other income	8,264	1,580
	3,767,205	2,497,206
EXPENSES		
Public relations and marketing communications <i>[note 8]</i>	1,839,177	735,705
Special events and community programs <i>[note 6]</i>	987,730	778,909
Winter Lights program	89,327	64,167
Administration	643,852	520,327
Salaries and employee benefits	117,337	82,432
Rent and occupancy costs	60,011	51,150
Office	57,596	28,671
Amortization of capital assets	30,623	11,726
Travel, training and recruitment	24,050	24,090
Professional fees	13,053	8,677
Conferences and meetings	4,965	3,873
Telephone, internet and cable	4,388	4,172
Insurance	3,210	3,729
Postage and courier	2,390	2,476
Bank charges	-	3,500
Bad debt	3,877,709	2,323,604
	[110,504]	173,602
Excess (deficiency) of revenue over expenses		

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Received from Business Improvement Area levy	1,544,052	1,365,594
Received from programs, grants and special events	3,261,129	1,339,697
Amounts paid to vendors and employees	(3,680,163)	(2,008,680)
Interest received	12,623	3,493
Cash provided by operating activities	1,137,641	700,104
INVESTING ACTIVITIES		
Purchases of capital assets	(47,260)	(173,488)
Cash used in investing activities	(47,260)	(173,488)
Increase in cash and cash equivalents	1,090,381	526,616
Cash and cash equivalents, beginning of the year	1,152,013	625,397
Cash and cash equivalents, end of the year	2,242,394	1,152,013

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 "support, enrich and connect Edmonton's Downtown Community." 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; 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 *CPA Canada Handbook - Accounting*, "Accounting Standards for Not-for-Profit Organizations; which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes 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.

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

Office/event equipment and furniture	5 years
Streetscape décor	5 years
Computer equipment	3 years
Leasehold improvements	Over the lease term
Façade improvements	5 years

Intangible

Website

June 19, 2024, Executive Committee | UPE02328
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 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

Cash and cash equivalents, and 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 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

3. CAPITAL ASSETS

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Tangible				
Office/event equipment and furniture	109,630	23,195	78,970	12,745
Streetscape décor	53,903	12,577	53,904	1,797
Computer equipment	30,159	22,944	20,947	16,152
Leasehold improvements	14,176	1,457	-	-
Façade improvements	9,772	3,407	8,716	1,664
	217,640	63,580	162,537	32,358
Intangible				
Website	68,075	38,442	60,660	16,986
	285,715	102,022	223,197	49,344
Net book value		183,693		173,853

4. COMMITMENTS

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

	\$
2024	139,992
2025	139,992
2026	143,067
2027	143,682
2028	142,813
Thereafter	462,389
	1,171,935

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

In 2004, 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 \$100,000 per year for installation, take-down, and utilities for future indeterminate periods. In 2023, the City of Edmonton added additional lights at no cost to the Association and an updated maintenance agreement is expected in early 2024.

5. INTERNALLY RESTRICTED NET ASSETS

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

For the year ended December 31, 2023, \$42,411 [2022 - \$116,600] was approved by the Board of Directors to be used for specific initiatives. For the year ended December 31, 2023, \$162,755 [2022 - \$87,815] was transferred to internally restricted net assets to fund future initiatives.

6. CONTRIBUTED MATERIALS, SERVICES AND FACILITIES

Sponsorship revenue for the year ended December 31, 2023, includes contributed materials, services, and facilities of \$45,903 [2022 - \$117,243], which are equally offset by amounts recorded in special events and community programs.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 prior years.

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 its liquidity risk by monitoring its operating requirements. The Association prepares 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.

8. RELATED PARTIES

Certain entities who employ members of the Board of Directors provide services to the Association. These services are provided in the regular course of business and are recorded at their exchange amounts, being the amounts agreed to by both parties. During the year, the Association incurred \$1,261 [2022 - \$0] with these entities.

9. GRANT REVENUE

During the year ended December 31, 2023, the Association was able to obtain certain grant funding available to support businesses and aid in community engagement efforts.

2023 Grant Funding

City of Edmonton [Downtown Vibrancy Strategy, Edmonton Economic Recovery]	* Downtown Shine	\$1,072,260
	* Downtown Spark	
	* Downtown Winteral	
	* Alfresco 104 th	
	* Business Adaptation Projects	
	* Night Patrol & Outreach	
	* Patio Improvement Program	
Government of Alberta	* Downtown Spark	\$300,000
	* Downtown Murals	\$150,000
	* Retail Attraction Program	\$550,000
	Total	\$2,072,260

2022 Grant Funding

City of Edmonton [Downtown Vibrancy Strategy, Edmonton Economic Recovery]	* Downtown Proud (Clean-up)	\$388,401
	* Staffing subsidies	
	* Downtown Spark	
	* Alfresco 104 th	
	* Retail Vibrancy	
	* Night Patrol & Outreach	
	* Gift Card launched	
	* Holiday Light Up	
	* Trash Cans	
* Alley Transformations		
Government of Canada [PrairiesCan]	* Downtown Spark	\$597,755
	* Alley Transformations	
	Total	\$986,156

The Retail Attraction Program and Business Adaptation Projects are continuing into 2024 with expected completion by the summer of 2024.

10. COMPARATIVE FIGURES

Certain comparative figures in these financial statements have been reclassified to conform to the financial statement presentation adopted for the current year.





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Downtown Business Association of Edmonton

**Draft Financial Statements
December 31, 2023**

Independent auditor's report

To the Board of Directors of
Downtown Business Association of Edmonton

Opinion

We have audited the financial statements of **Downtown Business Association of Edmonton** [the "Association"], which comprise the statement of financial position as at December 31, 2023, and the statement of changes in net assets, statement of revenue and expenses and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and its results of operations and its 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



– 2 –

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 Association'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 Association'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 Association 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.

Edmonton, Canada
March 21, 2024

The signature of Ernst & Young LLP is written in a black, cursive script.

Chartered Professional Accountants



Downtown Business Association of Edmonton

STATEMENT OF FINANCIAL POSITION

As at December 31

	2023 \$	2022 \$
ASSETS		
Current		
Cash and cash equivalents	2,242,394	1,152,013
Short-term investments	209,199	206,041
Accounts receivable	91,536	237,221
Prepaid expenses and deposits	44,508	19,676
	<u>2,587,637</u>	<u>1,614,951</u>
Capital assets <i>[note 3]</i>	183,693	173,853
	<u>2,771,330</u>	<u>1,788,804</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	344,099	235,912
Deferred Business Improvement Area levy	426,887	372,389
Deferred grant revenue	1,319,024	419,783
Current portion of deferred lease inducement	10,692	7,004
	<u>2,100,702</u>	<u>1,035,088</u>
Deferred lease inducement	20,379	13,376
Deferred contributions - capital	20,413	-
	<u>2,141,494</u>	<u>1,048,464</u>
Commitments <i>[note 4]</i>		
Net assets		
Invested in capital assets	183,693	173,853
Internally restricted	446,143	566,487
	<u>629,836</u>	<u>740,340</u>
	<u>2,771,330</u>	<u>1,788,804</u>

See accompanying notes to the financial statements

On behalf of the Board:

Keenan Pascal
Keenan Pascal (Apr 23, 2024 15:53 MDT)

Chair



Executive Director

Downtown Business Association of Edmonton

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	2023			
	Internally restricted			
	Internally funded capital assets \$	Specific initiatives \$	Unrestricted reserves \$	Total \$
Balance, beginning of the year	173,853	566,487	-	740,340
Deficiency of revenue over expenses	-	-	(110,504)	(110,504)
Purchase/acquisition of capital assets	67,436	-	(67,436)	-
Amortization of capital assets	(57,596)	-	57,596	-
Transfers to specific initiatives <i>[note 5]</i>	-	42,411	(42,411)	-
Transfers from specific initiatives <i>[note 5]</i>	-	(162,755)	162,755	-
Balance, end of year	183,693	446,143	-	629,836
	2022			
	Internally restricted			
	Internally funded capital assets \$	Specific initiatives \$	Unrestricted reserves \$	Total \$
Balance, beginning of the year	29,036	537,702	-	566,738
Excess of revenue over expenses	-	-	173,602	173,602
Purchase/acquisition of capital assets	106,043	-	(106,043)	-
Amortization of capital assets	(25,125)	-	25,125	-
Purchase of capital assets through grants	67,445	-	(67,445)	-
Amortization of capital assets through grants	(3,546)	-	3,546	-
Transfers to specific initiatives <i>[note 5]</i>	-	116,600	(116,600)	-
Transfers from specific initiatives <i>[note 5]</i>	-	(87,815)	87,815	-
Balance, end of year	173,853	566,487	-	740,340

See accompanying notes to the financial statements

Downtown Business Association of Edmonton

STATEMENT OF REVENUE AND EXPENSES

Year ended December 31

	2023	2022
	\$	\$
REVENUE		
Grants <i>[note 9]</i>	2,072,260	986,156
Business Improvement Area levy	1,489,554	1,324,274
Sponsorships <i>[note 6]</i>	181,582	180,628
Interest	15,545	4,568
Other income	8,264	1,580
	<u>3,767,205</u>	<u>2,497,206</u>
EXPENSES		
Public relations and marketing communications <i>[note 8]</i>	1,839,177	735,705
Special events and community programs <i>[note 6]</i>	987,730	778,909
Winter Lights program	89,327	64,167
Administration		
Salaries and employee benefits	643,852	520,327
Rent and occupancy costs	117,337	82,432
Office	60,011	51,150
Amortization of capital assets	57,596	28,671
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Insurance	4,388	4,172
Postage and courier	3,210	3,729
Bank charges	2,390	2,476
Bad debt	-	3,500
	<u>3,877,709</u>	<u>2,323,604</u>
Excess (deficiency) of revenue over expenses	<u>(110,504)</u>	<u>173,602</u>

See accompanying notes to the financial statements

Downtown Business Association of Edmonton

STATEMENT OF CASH FLOWS

Year ended December 31

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Received from Business Improvement Area levy	1,544,052	1,365,594
Received from programs, grants and special events	3,261,129	1,339,697
Amounts paid to vendors and employees	(3,680,163)	(2,008,680)
Interest received	12,623	3,493
Cash provided by operating activities	<u>1,137,641</u>	<u>700,104</u>
INVESTING ACTIVITIES		
Purchases of capital assets	(47,260)	(173,488)
Cash used in investing activities	<u>(47,260)</u>	<u>(173,488)</u>
Increase in cash and cash equivalents	1,090,381	526,616
Cash and cash equivalents, beginning of the year	1,152,013	625,397
Cash and cash equivalents, end of the year	<u>2,242,394</u>	<u>1,152,013</u>

See accompanying notes to the financial statements

Downtown Business Association of Edmonton

Notes to financial statements

December 31, 2023

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 "support, enrich and connect Edmonton's Downtown Community." 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; 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 *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations," which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes 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.

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

Office/event equipment and furniture	5 years
Streetscape décor	5 years
Computer equipment	3 years
Leasehold improvements	Over the lease term
Façade improvements	5 years

Intangible

Website	3 years
---------	---------

Downtown Business Association of Edmonton

Notes to financial statements

December 31, 2023

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 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

Cash and cash equivalents, and 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 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.

Downtown Business Association of Edmonton

Notes to financial statements

December 31, 2023

3. Capital assets

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Tangible				
Office/event equipment and furniture	109,630	23,195	78,970	12,745
Streetscape décor	53,903	12,577	53,904	1,797
Computer equipment	30,159	22,944	20,947	16,152
Leasehold improvements	14,176	1,457	-	-
Façade improvements	9,772	3,407	8,716	1,664
	<u>217,640</u>	<u>63,580</u>	<u>162,537</u>	<u>32,358</u>
Intangible				
Website	68,075	38,442	60,660	16,986
	<u>285,715</u>	<u>102,022</u>	<u>223,197</u>	<u>49,344</u>
Net book value	<u>183,693</u>		<u>173,853</u>	

4. Commitments

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

	\$
2024	139,992
2025	139,992
2026	143,067
2027	143,682
2028	142,813
Thereafter	462,389
	<u>1,171,935</u>

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

In 2004, 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 \$100,000 per year for installation, take-down, and utilities for future indeterminate periods. In 2023, the City of Edmonton added additional lights at no cost to the Association and an updated maintenance agreement is expected in early 2024.

Downtown Business Association of Edmonton

Notes to financial statements

December 31, 2023

5. Internally restricted net assets

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

For the year ended December 31, 2023, \$42,411 [2022 - \$116,600] was approved by the Board of Directors to be used for specific initiatives. For the year ended December 31, 2023, \$162,755 [2022 - \$87,815] was transferred to internally restricted net assets to fund future initiatives.

6. Contributed materials, services, and facilities

Sponsorship revenue for the year ended December 31, 2023, includes contributed materials, services, and facilities of \$45,903 [2022 - \$117,243], which are equally offset by amounts recorded in special events and community programs.

7. Financial instruments and risk management

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 prior years.

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 its liquidity risk by monitoring its operating requirements. The Association prepares 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.

8. Related parties

Certain entities who employ members of the Board of Directors provide services to the Association. These services are provided in the regular course of business and are recorded at their exchange amounts, being the amounts agreed to by both parties. During the year, the Association incurred \$1,261 [2022 - \$0] with these entities.

Downtown Business Association of Edmonton

Notes to financial statements

December 31, 2023

9. Grant revenue

During the year ended December 31, 2023, the Association was able to obtain certain grant funding available to support businesses and aid in community engagement efforts.

2023 Grant Funding

City of Edmonton (Downtown Vibrancy Strategy, Edmonton Economic Recovery)	* Downtown Shine	\$1,072,260
	* Downtown Spark	
	* Downtown Winterval	
	* Alfresco 104 th	
	* Business Adaptation Projects	
	* Night Patrol & Outreach	
	* Patio Improvement Program	
Government of Alberta	* Downtown Spark	\$300,000
	* Downtown Murals	\$150,000
	* Retail Attraction Program	\$550,000
	Total	<u>\$2,072,260</u>

2022 Grant Funding

City of Edmonton (Downtown Vibrancy Strategy, Edmonton Economic Recovery)	* Downtown Proud (Clean-up)	\$388,401
	* Staffing subsidies	
	* Downtown Spark	
	* Alfresco 104 th	
	* Retail Vibrancy	
	* Night Patrol & Outreach	
	* Gift Card launched	
	* Holiday Light Up	
	* Trash Cans	
	* Alley Transformations	
Government of Canada (PrairiesCan)	* Downtown Spark	\$597,755
	* Alley Transformations	
	Total	<u>\$986,156</u>

The Retail Attraction Program and Business Adaptation Projects are continuing into 2024 with expected completion by the summer of 2024.

10. Comparative figures

Certain comparative figures in these financial statements have been reclassified to conform to the financial statement presentation adopted for the current year.











Downtown Business Assoc of Edmonton - 2023pdf

Final Audit Report

2024-04-23

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