

2019 Annual Report

Downtown Business Association



downtown
business
association

Downtown Business Association Staff

Ian O'Donnell

Executive Director

Mary Davies

Office Manager and
Executive Assistant

Tracy Hyatt

Manager of
Marketing &
Communications

Kayla Shapka

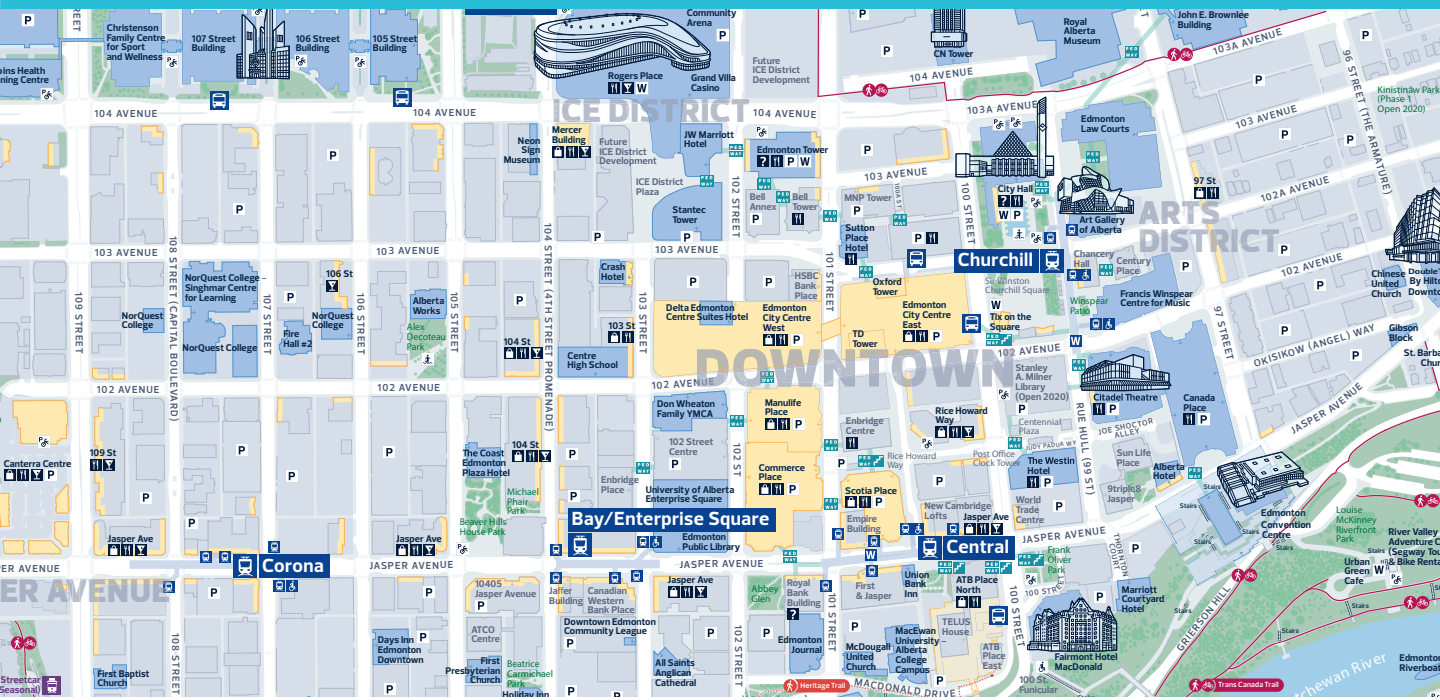
Marketing
Coordinator



What is a BIA

A Business Improvement Area (BIA) is a specific geographic area of the city in which businesses pool resources and work together through a formal association to enhance the economic development of their area.





About Us

The Downtown Business Association of Edmonton is one of 13 BIAs in Edmonton and is a valuable and proven partner in ongoing initiatives of neighbourhood revitalization and economic development. It is the largest BIA in Edmonton, servicing approximately 1,400 businesses and investing more than one million dollars into the Downtown economy in the form of supplemental services, marketing and events.

The Downtown Business Association was established by a City of Edmonton bylaw on November 26, 1985. The City's official Downtown BIA is Bylaw #7968 (as amended).

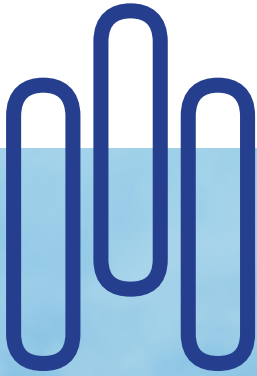
The Association provides services and resources to for-profit businesses

located within the geographical boundaries of 95 Street to 111 Street, and 95 Avenue to 105 Avenue. 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 and organizations within the BIA. The City Councillor who represents Downtown is an ex-officio member of the Board.

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

Mission Statement

To support, connect and enrich
Edmonton's Downtown community.



2019 Goals

- Develop and maintain programs to attract and retain business in Downtown Edmonton
- Ensure the safety, cleanliness and beautification of Downtown Edmonton
- Promote and develop Downtown Edmonton's image and identity through events, promotions and marketing.
- Advocate on behalf of business members and assist in resolving issues affecting members
- Provide leadership and communicate matters of concern to members, government officials and key stakeholders.



Message from the Chair

As this is written, we recognize that the world has changed dramatically since 2019. Many of our member businesses are dealing with a very challenging economic and regulatory environments that are materially impacting their business and way of life, and negatively impacting their employees and suppliers. More than ever before, the DBA, its staff, our Board and partners are coming together to provide resources, support and work towards recovery.

Looking back at 2019, one of the key projects was passing the next iteration of our Strategic Plan that focused on four main goals. We want to redefine our Downtown's identity and share more of its unique stories with our city and region, to encourage more participation with our members/ stakeholders and raise the levels of engagement across sectors; to create a more inclusive, accessible and attractive Downtown; and to more holistically position Downtown Edmonton as a year-round destination for capital investment, tourism and overall activity.

We continue to strive to deliver value to our member business and improving the experience that Downtown delivers for all. Our Board is leveraging existing relationships and partnerships, while looking to extend our reach to new organizations and individuals who see the importance of a vibrant and healthy Downtown core.

Finally, we would like to sincerely thank and acknowledge our four departing board members for their dedication and contributions to the Downtown.

Linda Wedman – The Works Society
Ian Large – Leger
Gord Rajewski (Past Chair) – Pinchin Ltd.
Sheldon Magnes – Impark/Reef Parking

We will come out of this with a stronger and a more connected community.

A handwritten signature in black ink, appearing to read 'Robert Bothwell', with a stylized flourish at the end.

Robert Bothwell
Chair
Downtown Business Association



Executive Director's message

This past year was filled with a greater diversity of challenges and opportunities in the Downtown core than in past years. Collectively, we have been coming together and connecting in new ways to support growth in our member business, but also to look at new approaches for issues around cleanliness and social disorder found on our streets.

Entering 2019, the DBA looked to an updated Strategic Plan centered around the very crux of what Downtown needs to continue on a positive trajectory and further transformation. This includes a focus on: Partnerships, Engagement, Interconnection and Destination.

We continue to see expansion in our tech and various other emerging sectors in the core. This is critical to our future growth potential and brand/reputation as a desirable city to invest in, relocate to and create a companies in. It cannot be stressed enough that we must continue to work with government to support the notion that 'all companies are now tech companies'.

Our Executive, Board, Committee members and staff continue to work diligently on key issues for our member business including economic development, safety, beautification, residential infill and cleanliness. The value proposition we work to provide to our member businesses is at the heart of what we do each and every single day.

Downtown Edmonton is a resilient and robust collection of business leaders, community volunteers, thousands of students and over 13,000 residents. Challenging times will require us all to come together and lead with solidarity and a dedication to continue transform our core in new and innovative ways.

It goes without saying, that our mission statement transcends what we do and how we do it.

'To Support, Connect, and Enrich Edmonton's Downtown Community'.

We look forward to working with you in 2020.

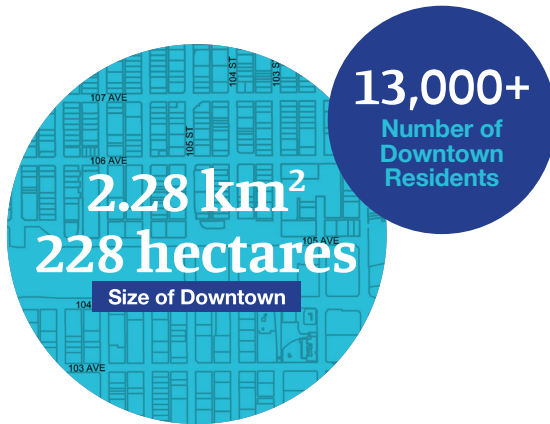
Sincerely,

A handwritten signature in blue ink, appearing to read 'Ian O'Donnell'. The signature is stylized and fluid, with a large initial 'I' and 'O'.

Ian O'Donnell
Executive Director
Downtown Business Association



Downtown by the numbers



64,865

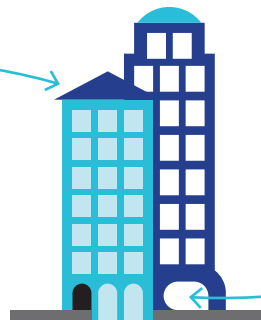
Number of People Employed Downtown

\$279Million

Construction value of Downtown building permits issued in 2019

269

Number of Downtown building permits issued in 2019



LEASE



13.19%

Retail Storefront Vacancy Rate

1,168

Number of Licensed Businesses in 2019



2019 DBA 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 monthly to review committee actions and approve the priorities for future Association endeavours, as well as approve and implement strategies in regard to the Strategic Plan.



Robert Bothwell, Chair
Bennett Jones
LLP



Chris Graham
Shoppers Drug
Mart



Ian Large
Leger

**Councillor
Scott McKeen,
Ex Officio**
City of Edmonton



**Zarina Bhambhani,
Treasurer**
KPMG LLP



Jeremy Hayward
solūt



Sheldon Magnes
Reef Parking

**Paul Ross,
Ex Officio**
City of Edmonton



**Gord Rajewski,
Past Chair**
Pinchin Ltd.



Martin Kennedy
EPCOR



Gary Tomchuk
The Sherlock
Holmes
Hospitality
Group



Patrick Saurette,
The Marc
Restaurant



Myrna Khan
MacEwan
University



Garrett Turta
Fairmont Hotel
Macdonald



Bob Black,
Katz Group



Wayne Kryzalka
ATB



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.

Robert Bothwell,
Chair
Bennett Jones LLP

Martin Kennedy,
Vice-Chair
EPCOR

Gord Rajewski,
Past Chair
Pinchin Ltd.

Zarina Bhambhani,
Treasurer
KPMG LLP

Patrick Saurette,
Director
The Marc Restaurant,
Executive





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 livable 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.

Jeremy Hayward, Chair
solūt

Mark Anderson
CBRE

Dustin Bateyko
Cushman & Wakefield

Jonathan Fraser
DLA Piper (Canada) LLP

Lance Frazier
Cushman & Wakefield

Kevin Glass
Marcus & Millichap

Cameron Haldane
Krahn Group

Nick Lilley
Ponten Innovations

Camille Lorieau
Qualico Developments

Casey McClelland
Marcus & Millichap

Denes Nemeth
AIMCO

David Olson
Lizotte Real Estate

Scott Riddell
ATB

Glen Scheuerman
Morguard Investments

Jimmy Shewchuk
Prairie Catering

Brad Smith
The Canapen Group

2019 Business Recruitment Committee Report

Recognizing the need to leverage Edmonton's A.I. research potential and the opportunities for diversifying the Downtown business core, the BRC had a busy year supporting the growing business community Downtown, with a focus on the technology sector.

To further accelerate the growth in this high potential industry, the DBA partnered with the Alberta School of Business and hired an MBA student to examine the Downtown tech ecosystem and provide recommendations for further growth. The MBA student worked with the BRC and connected with more than 50 stakeholders in the Downtown tech ecosystem, including established tech companies, startups, service providers as well as non-profit and government agencies. In August, the report, entitled "Accelerating Tech in Downtown Edmonton: Impacts and Opportunities," was released to a sold-out audience at Yellowhead Brewery. Interest around the report generated multiple news stories, further promoting business development in Downtown and highlighting the many successful tech companies located here. The event, which included a panel discussion with Downtown tech business owners, provided a platform for networking and collaboration between startups, real estate and property management executives and the wider business community.

Findings of the report showed that Downtown has seen the formation of an organic tech cluster through to the availability of tech-focused office space, a great urban experience and the ability to easily collaborate with the broader tech community. With numerous high-profile companies like Google DeepMind and BioWare moving to Downtown in 2019 and other successful startups growing here, the tech community is thriving and shaping our Downtown.


The report included five recommendations:

1. Establish a Downtown Accelerator to increase the number of successful and investable companies.
2. Continue to develop tech-focused office space.
3. Retain homegrown talent by collaborating with post-secondary institutions to secure jobs for our talented graduates.
4. Continue to enhance the urban experience to attract top caliber tech talent
5. Collaborate with Edmonton Advisory Council on Startups (EACOS) and other organizations in the ecosystem to connect the tech community to the broader Downtown business community.

To build upon the momentum from the Tech Report, the Fall DBA Luncheon in October focused on the tech innovation scene, further building upon the recommendations made by the report.

Moving forward the DBA is uniquely positioned to support this emerging and high-growth industry, bringing more vibrancy and diversity to Downtown and Edmonton. In 2020, the DBA will continue to be a connector for Downtown's tech industry and will work with key stakeholders to hold more events like this.

2019 BRC Highlights



The DBA 2019 business report, *Accelerating Tech in Downtown Edmonton: Impacts and Opportunities*, was presented in August, in partnership with the Alberta School of Business. The report highlighted how the Association and Downtown business community can support the growing tech community.

The BRC Committee continued to work with the City of Edmonton to find parking management strategies to increase the turnover of spaces in high traffic areas, such as 104 Street and Rice Howard Way.

With the increased number of people working, living and visiting the core, the committee continued to work with the City of Edmonton and other organizations to address cleanliness in the core. A \$10,000 donation to Downtown Proud, helped to resurrect the litter removal program and employ five individuals in the Downtown and Boyle communities. Additional routes were added to the program, including garbage collection services in the hours following Rogers Place events.

Building on the work being done by community stakeholders, the BRC Committee continued to push for initiatives to make Downtown safer, including increased policing and community foot patrols, crime prevention through design, community communication strategies and social programs.

Improving business permit times and reducing red tape continued to be a focus. To help entrepreneurs navigate permits and licensing requirements, the DBA directed sponsorship dollars and marketing support to the City's Small Business Series – workshops and presentations to help small business prepare for the regulatory process.



Marketing Committee

A key priority of the Marketing Committee is to provide advice, recommendations and marketing expertise on how to attract visitors to Downtown. The Marketing Committee helps identify target audiences, marketing channels and events that meet the objectives identified in the DBA's Strategic Plan. Members represent a cross section of the Downtown business community from various industries, including professional services, education, arts and culture, retail, hotels, restaurants and may include representation from EEDC.

Ian Large, Chair

Leger

Marvin Babiuk

Edmonton Transit Service

Jon Hall

104 Street Committee

Anastasia Lim

University of Alberta

Mandie Lopatka

Stantec

Nykala Shone

EEDC

Timothy Starchuk

EPCOR

Richard Thornley

Edmonton Public Library

Gillian Thomson

DIALOG

Melanie Stroh

The Westin Edmonton

2019 Highlights

To better reflect the changing Downtown business community and growing membership, the DBA's printed publications were redesigned. Striking imagery, the incorporation of vibrant colours and the addition of business profiles were key elements to better engage readers of The Downtown Advantage and Guide to Downtown.

In March, our 15th annual Downtown Dining Week rolled out with a brand refresh. The new logo, messaging and tone targeted a younger audience more plugged into social media. Other changes to the program included the addition of brunch and daily events. Fifty restaurants offered lunch, dinner and brunch menus during the 10-day event, breaking previous participation numbers.

The annual spring and fall luncheons are the DBA's largest member engagement events, allowing members and key stakeholders to discuss issues and trends affecting Downtown. The theme of the Spring luncheon, Connectivity, highlighted future projects such as the Prairie Sky Gondola and the Warehouse Campus Neighbourhood Park. The fall luncheon held at the newly opened JW Marriott Ice District centered around innovation. Keynote speaker Ken Bautista spoke on how to transform Downtown spaces into an innovation hub.

For those visiting, working and living in the core, the DBA's Downtown Ambassadors program is a welcoming addition to Downtown streets every summer. Four hired Ambassadors perform daily street-level walkabouts, making regular contact with visitors and Downtown businesses. Other daily duties include litter removal and assisting summer festivals. This year

the program updated its free daily tours to include stops at the historical 104 Street, the Ice District and the 101 Street Funicular.

In October, the DBA co-hosted a Small Business Week event with Work Nicer Coworking. The panel discussion on building a strong workplace culture was attended by more than 50 entrepreneurs and employees of Downtown startups.

Harvest Fest, our fall dining event, also saw a brand refresh to attract a younger and diverse audience. Twenty-seven restaurants participated in the four-day festival, which also saw the addition of daily events, including a Downtown brewery tour and an Edmonton Downtown Farmers Market shopping day for participating chefs.

The DBA's holiday campaign kicked off late November with the annual Downtown Light Up event. An estimated 2,000 people attended the Churchill Square two-hour weekday festivity. Free programming and activations included Indigenous drumming, Fort Edmonton historical interpreters, Winter City Edmonton, hot beverages, cookies, roasted chestnuts and taffy on snow.

Other holiday campaign activities included the annual Holiday Window Decorating contest which saw participation from 25 businesses and Downtown arts and cultural organizations. The 20 Days of Christmas giveaway, highlighted gifts available at Downtown retailers and restaurants. To collect donations for 630 CHED Santas Anonymous, the DBA partnered with the Edmonton Public Library to host a free, noon-hour performance.

Downtown Festival Grants

Year-round, Downtown hosts more than 24 festivals and events that have a significant economic impact on our Downtown core. These festivals attract thousands of local, regional, national and international visitors who spend hundreds and thousands of dollars at member businesses – restaurants, bars, parking operators, hoteliers and other providers of services.

To recognize the value of festivals to our local economy, the DBA provides \$80,000 in grants to qualifying festivals taking place within our boundaries. Festivals that demonstrate exciting and innovative programming, a positive economic impact on the Downtown business community are eligible for up to \$10,000 in financial support.

In 2019, the festivals below were awarded money through the Downtown Festival Grant program.

- **Animethon**
- **Cariwest**
- **Edmonton International Film Festival**
- **Edmonton International Jazz Festival**
- **Edmonton Jewish Film Festival**
- **Edmonton Poetry Festival**
- **Improvaganza International Improv Festival**
- **LitFest**
- **Taste of Edmonton**
- **The Works Art & Design Festival**



Animethon 2019
(LEFT); Cariwest
2019 (BELOW)



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 civic employees, parking and property management executives and policing personnel who are responsible for the planning and development, daily operations, and management of various Downtown buildings, businesses, transportation and security services.

Gord Rajewski, Chair

Pinchin Ltd.

Jenny Baker

City of Edmonton
Civic Events & Festivals/Citizen Services

Don Belanger

City of Edmonton
Capital City Cleanup

Sergeant Ryan Ferry

Edmonton Police Service

Darla Hampshire

City of Edmonton
E-Park Operations

David Holdsworth

City of Edmonton,
Urban Renewal

Flemming Kristensen

EPCOR

Connie Marciniuk

City of Edmonton
Citizen Services

Sheldon Magnes

Reef Parking

Stacey Mitchell

City of Edmonton,
Horticulture/Infrastructure
Operations

Shannon Murray

City of Edmonton,
Community Services

Darrell Nordell

City of Edmonton
Citizen Services

Nicole Nunes

City of Edmonton
Neighbourhood Empowerment

Superintendent Terry Rocchio

Edmonton Police Service

Karey Steil

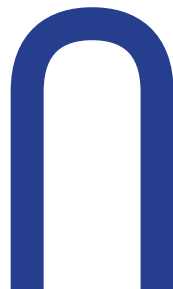
City of Edmonton
Community Standards

Stacey Switzer

City of Edmonton
Parks & Roads Services

Gary Tomchuk

The Sherlock Holmes
Hospitality Group



2019 Highlights

The Committee continued its work with various City of Edmonton departments to ensure that streets are being cleaned and are cleared of snow in a timely manner. This year's efforts resulted in a coordinated review of street sweeping boundaries and scheduling.

With the increased number of people working, living and visiting the core, the committee continued to work with the City of Edmonton and other organizations to address cleanliness in the core. A \$10,000 commitment to **Downtown Proud** helped to resurrect the litter removal program and employ up to five individuals in the Downtown and Boyle communities. Additional routes were added to the program, including garbage collection services in the hours prior to and following Rogers Place events. A renewed focus on Jasper Avenue is being discussed, with working groups to follow in early 2020.

To encourage restaurants, retailers and property owners to think of their sidewalks as an extension of their business and to promote the beautification of Downtown, the DBA helped coordinate the purchase of 123 flower barrels and baskets through the **Bloomin' Boulevards** program.

With the assistance of the City of Edmonton, the DBA piloted a winter planter program to help beautify Downtown streets during the busy holiday season. In November, 40 barrels filled with greenery were placed on Rice Howard Way, 100 A Street, Judy Padua Way and Shocter Alley in November for approximately 12 weeks. As a result of this pilot program, the City of Edmonton was able to re-light the majority of Rice Howard Way trees.

In partnership with Boyle Street Community Services, the DBA produced a panhandling pamphlet to provide tips and resources to

help business owners and their employees respond appropriately to the issue.

With the increased construction in the core, the committee continued to work with the City of Edmonton to resolve accessibility issues for non- and disabled pedestrians at construction sites across Downtown. Problems such as the closing of sidewalks on both sides of a street and poor placement of construction zones and signs at various sites were resolved.

The Committee welcomed the August opening of Mackay Avenue Playground, Downtown Edmonton's first community playground. The playground is an initiative of the Edmonton Police Service, the DBA and several community organizations that raised more than \$150,000 towards a new playground for McKay Avenue. This project ensures that our Downtown is inviting, inclusive and improves the amount of normalized activities in strategic areas.

At our annual Security Seminar, guest speaker Inspector Dan Jones of the Edmonton Police Service presented on innovative policing practices and how to approach crime and disorder as guardianship.

After ongoing complaints about increased gang activity in several areas Downtown, such as Rice Howard Way and MacDonald Drive, business owners, Edmonton Police and various City of Edmonton departments and stakeholders met to come up with possible immediate and long-term solutions to the growing problem.

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, 2019, 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, 2019, and its results of operation 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.

Edmonton, Canada
March 19, 2020

Ernst & Young LLP

Chartered Professional Accountants

Statement of Financial Position

	2019 \$	2018 \$
Assets		
Current		
Cash and cash equivalents	830,951	439,198
Short-term investments	205,346	205,787
Accounts receivable	14,404	7,217
Prepaid expenses and deposits	3,854	7,739
Total current assets	1,054,555	659,941
Capital assets, net <i>[note 3]</i>	37,245	52,986
	1,091,800	712,927
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	189,596	209,853
Deferred Business Improvement Area levy	306,147	-
Current portion of deferred lease inducement	4,575	4,575
Total current liabilities	500,318	214,428
Deferred lease inducement	4,574	9,149
Total liabilities	504,892	223,577
Commitments <i>[note 5]</i>		
Net assets		
Internally funded capital assets	37,245	52,986
Internally restricted for specific initiatives <i>[note 6]</i>	549,663	436,364
Total net assets	586,908	489,350
	1,091,800	712,927

See accompanying notes
On behalf of the Board:



Chair



Executive Director

Statement of Changes in Net Assets

DECEMBER 31, 2019

	Internally restricted		Unrestricted \$	Total \$
	Internally funded capital assets \$	Specific initiatives \$		
2019				
Balance, beginning of the year	52,986	436,364	-	489,350
Excess of revenue over expenses	-	-	97,558	97,558
Purchases of capital assets	4,250	-	(4,250)	-
Amortization of capital assets	(19,992)	-	19,992	-
Transfers from specific initiatives <i>[note 6]</i>	-	(32,729)	32,729	-
Transfers to specific initiatives <i>[note 6]</i>	-	146,029	(146,029)	-
Balance, end of the year	37,244	549,664	-	586,908

	Internally restricted		Unrestricted \$	Total \$
	Internally funded capital assets \$	Specific initiatives \$		
2018				
Balance, beginning of the year	37,991	308,881	20,000	366,872
Excess of revenue over expenses	-	-	122,478	122,478
Purchases of capital assets	32,440	-	(32,440)	-
Amortization of capital assets	(17,445)	-	17,445	-
Transfers from specific initiatives <i>[note 6]</i>	-	(39,784)	39,784	-
Transfers to specific initiatives <i>[note 6]</i>	-	167,267	(167,267)	-
Balance, end of the year	52,986	436,364	-	489,350

See accompanying notes

Statement of Revenue and Expenses

	2019 \$	2018 \$
Revenue		
Business Improvement Area levy	1,224,586	1,224,586
Sponsorships <i>[note 7]</i>	293,990	334,275
Downtown Dollar program closed <i>[note 4]</i>	-	125,777
Advertising and events	28,430	18,930
Interest	4,067	3,501
	1,551,073	1,707,069
Expenses		
Special events and programs <i>[note 7]</i>	499,666	522,583
Public relations and marketing communications	270,358	273,457
Winter Lights program	120,846	162,990
Downtown Dollar program <i>[note 4]</i>	-	670
Administration		
Salaries and employee benefits	355,726	427,036
Rent and occupancy costs	105,134	106,217
Office	28,118	29,362
Professional fees	22,012	20,976
Amortization of capital assets	19,992	17,445
Meetings	12,391	5,792
Postage and courier	4,603	5,375
Telephone and internet	4,414	4,168
Insurance	3,350	3,408
Bank charges	3,183	2,751
Travel, training and recruitment	3,722	2,361
	1,453,515	1,584,591
Excess of revenue over expenses	97,558	122,478

See accompanying notes

Statement of Cash Flows

DECEMBER 31, 2019

	2019 \$	2018 \$
Operating activities		
Received from Business Improvement Area levy	1,530,733	1,224,586
Received from sales, programs and special events	64,647	45,333
Amounts paid to vendors and employees	(1,203,885)	(1,208,104)
Gain from write-off of redemption balance	-	125,190
Interest received	4,508	3,059
Cash provided by operating activities	396,003	190,064
Investing activities		
Purchases of capital assets	(4,250)	(32,440)
Cash used in investing activities	(4,250)	(32,440)
Net increase in cash and cash equivalents during the year		
	391,753	157,624
Cash and cash equivalents, beginning of year	439,198	281,574
Cash and cash equivalents, end of year	830,951	439,198

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 “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 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 advertising 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 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 (CONTINUED)

3. Capital assets

	2019		2018	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Tangible				
Office equipment and furniture	92,596	80,399	114,180	96,282
Computer equipment	11,179	8,049	31,343	25,056
Tenant improvements	91,754	77,918	91,754	72,464
Tokens [note 4]	—	—	16,150	16,150
	195,529	166,366	253,427	209,952
Intangible				
Website	18,100	10,018	33,500	23,989
	213,629	176,384	286,927	233,941
Net book value		37,245		52,986

4. Provision for redemption of parking tokens

Due to changes in parking technology throughout the City of Edmonton, the parking token has become obsolete. Sales of the tokens ended June 30, 2017, and the redemption of tokens in circulation has ended December 31, 2018.

5. Commitments

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

	\$
2020	236,119
2021	235,821
2022	125,000
2023	125,000
2024	125,000
	846,940

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

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 \$125,000 per year for installation, take-down and utilities, for an indeterminate period.

Notes to Financial Statements (CONTINUED)

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 are to be 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, 2019, \$32,729 [2018 – \$39,784] was approved by the Board of Directors to be used for specific initiatives. For the year ended December 31, 2019, \$146,029 [2018 – \$167,267] was transferred to internally restricted net assets to fund future initiatives.

7. Contributed materials, services and facilities

Sponsorships revenue includes contributed materials, services and facilities of \$250,586 [2018 – \$311,595], which are equally offset by amounts recorded in special events and programs.

8. 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

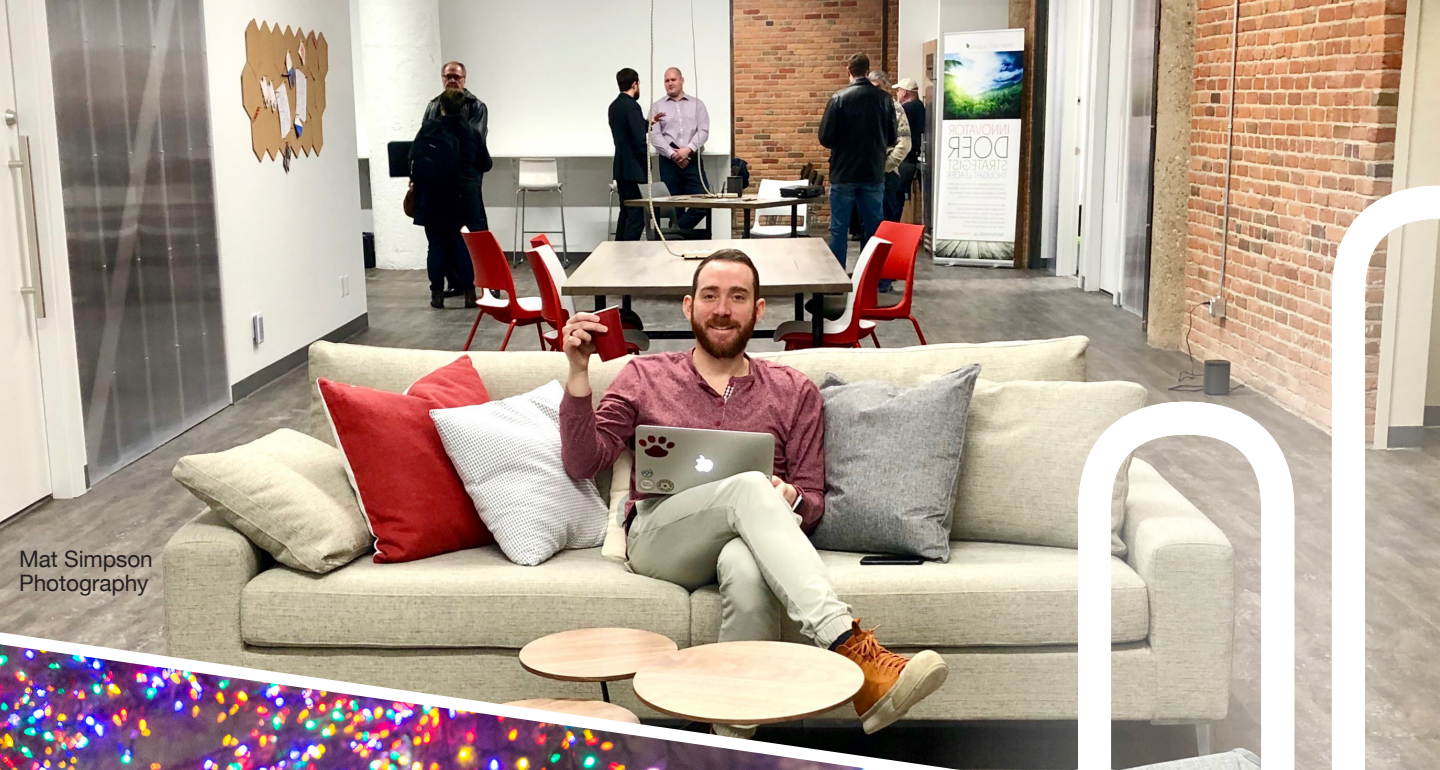
The Association is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient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

9. 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 \$nil [2018 – \$2,300] of legal expenses with these entities.

10. Subsequent events

Subsequent to year-end, the COVID-19 pandemic affected Canada, including Edmonton, Alberta. The Association has followed the recommendations of the local and national health authorities, as applicable. The final effects of the pandemic on the future financial performance and financial position of the Association, if any, cannot be determined at this time.



Mat Simpson
Photography







downtown business association

10121 Jasper Ave
Edmonton, AB, Canada
T5J 4X6

phone: 780.424.4085
fax: 780.425.7805

edmontondowntown.com

Follow us on
Instagram, Twitter & Facebook
[@DBAYEG](#)