



DIFFERENT IS GOOD.

2021 ANNUAL REPORT



**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 convener, activator, and advocate shaping Downtown Edmonton's future, the EDBA works to support an evolving, inclusive, prosperous, and resilient Downtown economy rooted in a vibrant and remarkable Downtown experience.

STRATEGIC GOALS

From 2021-2023, the EDBA will focus and prioritize 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 EDBA 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.



MESSAGE FROM THE CHAIR

DOWNTOWN



The past two years have underlined the value the Edmonton Downtown Business Association brings to its members and to the broader community.

Downtown Edmonton is the primary commercial hub where investment, entrepreneurial innovation and job creation happens. It is the centre of diverse arts and cultural programming, it's a place where social change and transformation happens, and it's our city's economic engine. What happens here has ripple effects across the entire city. And so in 2021, we took unprecedented steps to aid economic and social recovery in our downtown community.

The significant expansion of the EDBA's events and programs in 2021 showcases the creativity and entrepreneurial spirit of our management team, and the vital role that partnerships play in magnifying our impact. We launched Downtown Spark, a new festival aimed at drawing people back downtown, bringing art to public spaces, and supporting job creation. Over the six weeks, 48,000 Edmontonians visited the six installations and activations located across the core.

Through the Holiday Light Up in Churchill Square, the Root 107 pop-up park located at the site of the future Warehouse Park, and Downtown Live, we created safe and welcoming community spaces, helped drive foot traffic to downtown businesses, and directly supported the work of nearly 150 artists and not-profits.

These successes were made possible through the support and collaboration of many partners, including the City of Edmonton, Government of Canada, Explore Edmonton and Edmonton Arts Council.

The EDBA continues to focus on creating and promoting a remarkable, attractive downtown experience, and on generating value for our member businesses through our marketing and events programs. We've also broadened our strategic focus to better reflect our vision of an inclusive and vibrant downtown. Today, the EDBA is committed to serving as a leading voice and convening force in Downtown recovery, and to ensuring that the downtown

community is active in solutions to systemic social issues.

Within our own sphere of influence, the Association made and kept measurable commitments to the advancement of diversity, equity and inclusion, through two BIPOC mentorship programs and increased investment in Boyle Street Community Services and its social enterprise venture.

In our strategic vision, we are well aligned with the Edmonton Action Plan and the Downtown Vibrancy Strategy - initiatives that are focused on accelerating recovery in the downtown community, and building a solid foundation for a healthy future. At the same time, the pandemic spotlighted and exacerbated many serious issues in our community. We continue to be concerned that the increase in safety and security incidents reported by businesses, workers and residents risks undoing the progress made over the last decade to revitalize downtown.

These challenges require both immediate action, and investment in long-term solutions. Creating a safe and inclusive community for all requires that every partner be at the table, working together. At the EDBA, we are committed to doing our part.

While the challenges are real, our enthusiasm to build a thriving, equitable, inclusive and vibrant downtown is undiminished. The Board is focused on driving the execution of our strategic plan, and grateful for the ongoing support of our member businesses and the City of Edmonton.

The achievements documented in this annual report would not have been possible without the dedicated work of our remarkable EDBA staff team - and in particular, the work of Puneeta, Mary and Tracy throughout 2021. It's thanks to their creativity and effort that we were able to do so much to support the success of downtown in 2021.

A handwritten signature in black ink, appearing to read 'M. Kennedy'.

Martin Kennedy
Chair
Downtown Business Association

MESSAGE FROM THE EXECUTIVE DIRECTOR

D TOWN



While 2021 was another incredibly challenging year for our Downtown Edmonton community, it was also a year of inspiring innovation, resilience, and opportunity.

It has been an absolute honour for all of us on the Edmonton Downtown Business Association team to serve this community through these unprecedented times.

All of Edmonton relies on our downtown to attract economic investment, talent, tourism, and to ultimately function as the heart of our regional prosperity and the soul of our city's culture. As the lead convener, activator, and advocate shaping Downtown Edmonton's future, the work that the EDBA is doing today will impact our city for years to come, and the stakes are perhaps higher than they've ever been. To guide this work, we developed a new two-year strategic plan in 2021, anchored by four strategic priorities: (1) Serving as the leading voice & 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; and (4) Creating and promoting a remarkable, attractive Downtown experience.

From the essential services we deliver for our members like our Downtown Proud litter reduction program, to the unconventional and innovative new initiatives we took on like our Root 107 pop-up park, the EDBA team left no stone unturned in our mission to enable the successful recovery of Downtown. We

created a new position on our team to allow us to better lead, support and attract events & festivals, and we added over 90% to our 2021 operating budget through federal and municipal grant funding - allowing us to double our impact and service value for Downtown businesses. We built strong and productive relationships with all three levels of government, positioned Downtown issues at the centre of the public conversation through the 2021 Municipal election, and made meaningful progress on matters of community safety and social justice with our partners in law enforcement and social agencies. In a year of so many ups and downs - we led and supported some incredibly powerful work.

It was a year that almost broke us. But it didn't - it made us closer, stronger, and more fired up than ever. Thanks to the tireless work of our partners at the City of Edmonton, the tenacity of our business community, and the support and commitment of our many other partners, we've laid the foundation for a powerful resurgence of Downtown Edmonton in 2022, and we can't wait for you all to feel it.

Thank you for being a part of this community. We'll see you downtown!

Puneeta McBryan
Executive Director

Edmonton Downtown Business Association



DOWNTOWN

COMMUNITY



THE ROAD TO RECOVERY

KEY HIGHLIGHTS OF THE YEAR



LAUNCHED A DOWNTOWN PLACE BRAND

It's hard to believe that prior to 2021, there has never been a place brand for Edmonton Downtown. For far too long, Downtown's image, reputation and stories were being told by others. The EDBA had its own brand as an organization, but no single organization was charged with telling the story of this place - "what is Edmonton Downtown and what happens here?" Throw in a pandemic and, well, the timing was right to launch an Edmonton Downtown brand that could drive Downtown recovery. After five-months and in-depth interviews with 70+ people from across Downtown and the Edmonton region, including partners, business members and residents, the Downtown place brand was completed in the fall of 2021. Our brand promise "Different is Good" is an authentic reflection of what the Downtown experience is and what to expect if you live, work or play here.

PUT DOWNTOWN AT THE FOREFRONT OF THE ELECTION CONVERSATION

Edmonton chose a new mayor in 2021 and Downtown recovery was a much-debated topic of the mayoral race. The top six candidates were invited to share their vision and plan for Downtown recovery at an EDBA-hosted mayoral forum at Rogers Place in September. More than 1,900 people watched the debate in-person and online as the candidates answered questions about community safety, public asset maintenance, minimizing construction impacts and responsiveness of city services for the business community.

LED DOWNTOWN WALKABOUTS

Throughout 2021, the EDBA hosted a series of Downtown Walkabouts in partnership with Edmonton's City Manager, Andre Corbould, and Downtown business owners. These tours were a critical part of allowing our members to identify success and challenges of operating their businesses, and improve services provided by the City and the EDBA.

PARTNERED ON THE DOWNTOWN VIBRANCY STRATEGY

In partnership with the EDBA and other stakeholders from across the Downtown ecosystem, the City of Edmonton developed a Downtown Vibrancy Strategy to support the recovery and resurgence of Downtown. Launched in May 2021, the strategy is deploying \$5 million to partner-led projects over two years, and the EDBA is a member of the Core Partners Committee that is stewarding the funding.

ENGAGED ON A NATIONAL STAGE

Participating in speaking engagements was integral to building relationships with diverse organizations and stakeholders, and raising awareness about Downtown Edmonton's specific challenges. The Association represented Downtown Edmonton on several national and international panels hosted by organizations such as the International Downtown Association and the Canadian Urban Institute. In May, Executive Director Puneeta McBryan, was selected by the International Downtown Association for its 2021 Emerging Leader Fellowship program, recognizing her as one of North America's brightest placemaking professionals.

WORKED WITH THE DOWNTOWN RECOVERY TASK FORCE

In the summer of 2020, members of the EDBA formed the Downtown Recovery Task Force, a collective of Downtown community and business leaders working together on important issues affecting Downtown, with active participation from our Executive Director. The Task Force meets monthly and enables key Downtown organizations to consistently share information and updates with each other on matters of economic development, community safety, and arts and culture. Throughout the year, the group hosts guests such as the Mayor, City Manager, and the Chief of Police to ensure the Downtown community's goals and priorities are aligned with, and well-understood by decision-makers and to identify opportunities for collaboration and collective advocacy. The Task Force includes representation from post-secondary institutions, major real estate developers, large employers, and the nonprofit sector.



FOR THE



CLOSING THE GAP

KEY HIGHLIGHTS

COMMUNITY OUTREACH SUPPORT

In 2021, the Downtown Business Association continued its support of a #YEGAmbassador Community Safety Outreach Prototype launched in 2020 by the EDBA, North Edge Business Association, Boyle Street Community Services, REACH and the City's Neighbourhood Empowerment Team. The prototype had an Outreach Team comprised of an outreach worker and peer support worker that interacted with community members and businesses.

The aim of the program was for the Outreach Team to build relationships with community and business members and intervene in social disorder to prevent victimization of vulnerable community members. From May to July, the Outreach Team had 207 interactions with businesses with 44% of them being within the borders of Downtown. The most common type of interaction from Jasper Avenue businesses

resulted from caring and checking on someone's well-being.

Many important lessons were learned through the prototype about the complex needs of community members and businesses in our downtown during the pandemic, and about many of the gaps that it exposed in the supports and services that community members rely on.

We also learned that businesses need consistent, uninterrupted, coordinated help to manage priority issues related to their lack of perceived safety and drug related activity that create fear for staff and customers. Establishing these relationships requires time and continuity. A difficult learning was that the safety priorities of businesses often do not align with the role or scope of a traditional outreach model. Directly addressing businesses urgent priorities requires involvement from other systems, specifically enforcement and mental health.





DOWNTOWN

BREAKING CYCLES. SUPPORTING PATHWAYS OUT OF POVERTY

While the social and economic challenges facing Edmonton's core neighbourhoods have been challenging during the pandemic, it has created welcome opportunities to provide more support to social agencies that serve Downtown's vulnerable populations. Boyle Street Ventures is the social enterprise arm of Boyle Street Ventures (hiregood), offering meaningful employment opportunities and a living wage for their clients and community members who otherwise face barriers to joining the workforce. During 2021, the Association increased its annual investment to Downtown Proud, the street cleanup program operated by hiregood. Downtown cleanup routes were expanded, along with the number of days per week. Thanks to COVID-recovery grants, the Association was also able to employ hiregood throughout the year to provide security and washroom attendant services for several public events across Downtown, including Root 107 and our expanded Holiday Light Up.

LAUNCHED A MENTORSHIP PROGRAM

In the fall of 2021, the EBDA and MacEwan University partnered to launch The BIPOC Mentorship Program. This program focused on the experiences of Black,

Indigenous, People of Colour (BIPOC) business professionals and students as they navigated their careers. Thirteen post-secondary students applied to be paired with 11 mentors from different Downtown businesses. Pairings were encouraged to meet for a minimum of two hours per month and three facilitated group sessions were held over the course of the seven-month program. Participants built skills, networked and formed community support for the purpose of growing inclusive and intercultural awareness. This collaborative process allowed participants to create their own definition of success while challenging systemic barriers.

ADVOCATED FOR AND SUPPORTED PUBLIC WASHROOMS

Over the course of the pandemic, lack of access to public washrooms was exacerbated, as public facilities and businesses closed their doors. The Association became one of the leading advocates for a long-term public washroom strategy and spoke to City Council twice on the topic. To help alleviate the immediate pressure for a solution, the Association provided funding for the Summer Mobile Washroom Pilot, which saw three porta-potty locations in operation from May to October at several Downtown locations.



A VIBRANT DOWNTOWN

KEY HIGHLIGHTS OF THE YEAR



MET DOWNTOWN'S NEED FOR OUTDOOR COMMUNITY SPACE

Root 107 was a safe, welcoming and inclusive public amenity space for the Downtown community and the surrounding areas during the second challenging spring and summer of COVID-19. Located on 107 Street at the side of the future home of the Warehouse Park, Root 107 featured sustainable and upcycled physical infrastructure elements like modular seating, trees and shrubs in crates, picnic tables, lighting, a stage, public washrooms, and public art. Several days a week the pop-up park hosted arts programming in partnership with local artists and festivals. Commerce opportunities in the form of food trucks, new takeout traffic for nearby restaurants and pop-up retail, supported local businesses. From May to September, Root 107 welcomed 10,500 visitors, hosted 231 artists and was a safe outdoor venue for 13 Edmonton festivals.



EXPANDED HOLIDAY PROGRAMMING

Downtown Light Up activities on the Square were expanded again for a second year. In addition to the tree, Churchill Square was activated for three weekends over six weeks with programming partners, including Edmonton Arts Council, The Flying Canoe Festival and the Art Gallery of Alberta, The Works Art + Design Festival, The Citadel Theatre, Edmonton Short Film Festival, Kepler Academy, City of Edmonton, Explore Edmonton, and Boyle Street Community Ventures. Two art installations by Indigenous artists were also added to the Square - 'Buffalo Sage' by mixed-media artist Rebecca Pickard and 'Winter Solstice' by Jason Carter.



CONTINUED SUPPORTING ARTISTS + LIVE MUSIC THROUGH DOWNTOWN LIVE

To support the arts and cultural industries crippled by COVID restrictions, EDBA brought back Downtown Live for a second year. The summer-long series of micro-gigs and performances took place primarily on Downtown patios, encouraging people to return to restaurants and bars. Downtown Live was supported in part by EPCOR's Heart and Soul Fund which was created to provide financial support for arts organizations, festivals and attractions to develop new and creative ways to deliver community-based programming.



LAUNCHED DOWNTOWN SPARK

In partnership with the City of Edmonton, Explore Edmonton, and the Edmonton Arts Council, the Association launched the six-week long Downtown Spark, a COVID recovery initiative aimed at drawing people back Downtown, bringing art to public spaces and supporting job creation. wāpos by Indigenous artist Jason Carter and storyteller Bridget Ryan was the first Downtown Spark installation. In 10 days during COVID restrictions, 4,600 attendees toured the exhibition located in Beaver Hills House Park. Over six weeks, 48,000 Edmontonians visited the six installations and activations located across the core. Funding for this new festival was through Prairies Economic Development Canada [PrairiesCan] and delivered via the City of Edmonton.

INCREASED INVESTMENT IN DOWNTOWN CLEANLINESS

The Association continued its work with the City of Edmonton and other Downtown and area stakeholders to address litter and needle pickup in the core. A significantly increased investment went to Downtown Proud, a Boyle Street Ventures social enterprise initiative that provides work to members of the Boyle community, to clean up the streets. In 2021, Downtown Proud picked up 996 bags of garbage and 1,102 needles from Downtown streets.

DINE OUT TO HELP OUT

In April 2021, Downtown's hospitality industry was faced with a devastating blow when the Province shut down in-person dining and outdoor dining in an effort to reduce Alberta's growing COVID cases. The announcement came days before Downtown Dining Week was to launch and restaurants were preparing for an increase in diners. Despite the setback, Edmontonians overwhelmingly supported Downtown eateries and the program pulled in \$150,000 in reported sales revenues. As an added boost during Downtown Spark, the Association was given permission by AHS to close down 104 Street for street activations which brought even more business to surrounding Dining Week restaurants.





SUPPORTED AND ENABLED MORE DOWNTOWN EVENTS THAN EVER

Through our revised Downtown Edmonton Festivals and Small Events Grant, the Association was able to financially support 10 large-scale festivals and 17 smaller events, including Al Fresco on 104, and Black Owned Market Edmonton.

WORKED WITH THE CITY ON THE EXTENDED PATIO PROGRAM

Edmonton's extended patio program was first launched by the City in 2020 to help Downtown businesses create extra space needed for physical distancing. Again in 2021, the EDBA

Espoke to the City's senior planners in support of the program, indicating how extended patios can generate more revenue and enliven public spaces. In 2021, an additional 22 cafes, bars and restaurants were able to operate outdoor spaces in the Downtown core under the new patio rules.

BROUGHT BEAUTIFICATION TO OUR STREETS

The EDBA plans, funds, and manages Blooming Boulevards, Downtown's summer beautification program. May through to September, our investment sees 146 planters and hanging baskets placed on Downtown sidewalks and also watered and maintained by the EDBA.

2021 BOARD OF DIRECTORS



Martin Kennedy
Chair
EPCOR



Jeremy Hayward
Vice Chair
solūt



Zarina Bhambhani
Treasurer
KPMG LLP



Robert Bothwell
Director at Large
Bennett Jones LLP



Robert Black
Director at Large
MLT Aikins LLP



Scott Argent
Stantec
Consulting



Danielle Brown
ATCO



Henry Edgar
Edgar
Developments



Sally Kim
Edmonton Arts
Council



Myrna Khan
MacEwan
University



Wayne Kryzalka
ATB Fiancial



Keenan Pascal
Token Naturals



Marnie Suitor
In Sync
Consulting Inc.



Gary Tomchuk
Sherlock Holmes
Hospitality Group

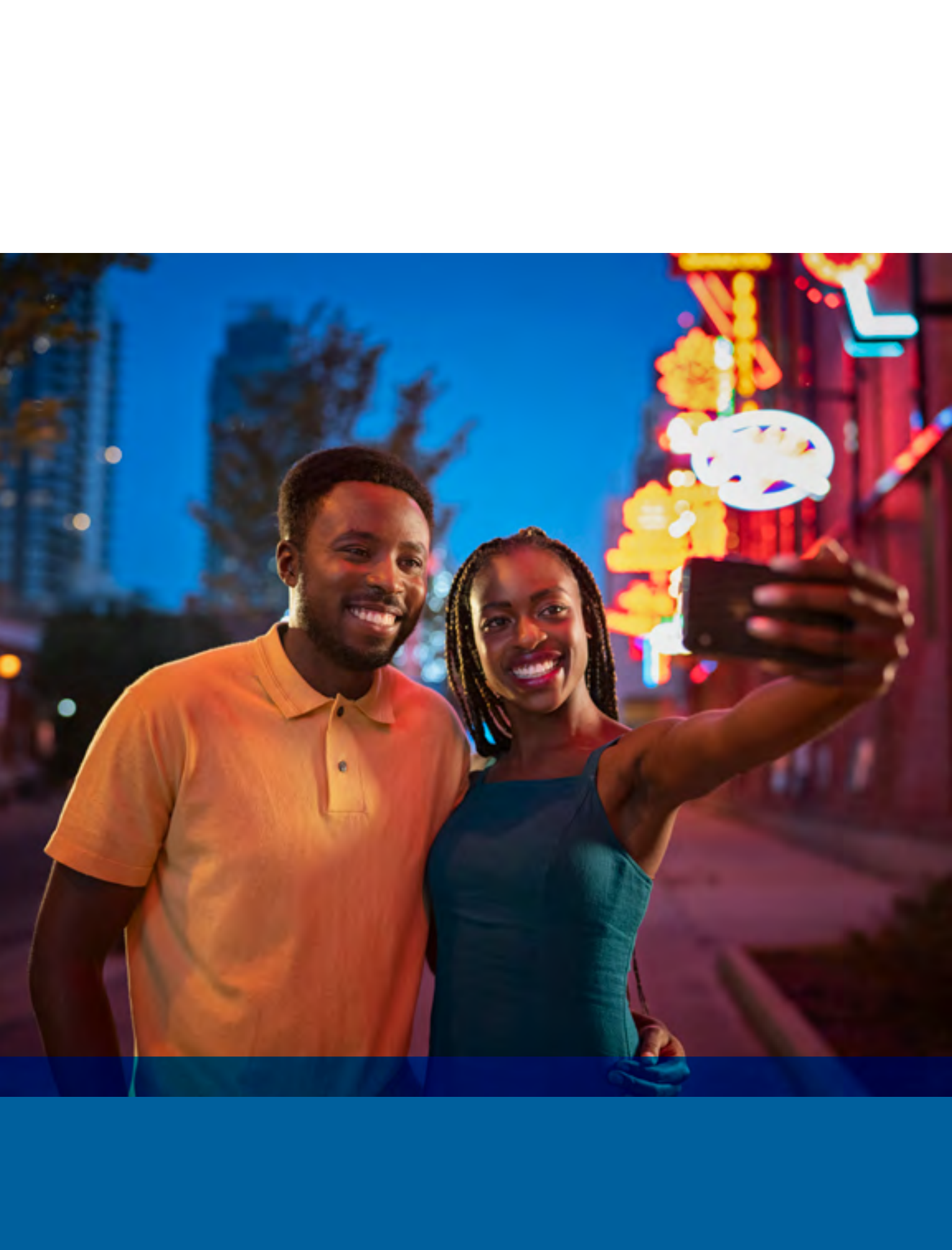


Garrett Turta
Fairmont Hotel
Macdonald

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

Jeff Chase
Ex Officio
City of Edmonton







2021

EDBA STAFF

Puneeta McBryan,
Executive Director

Tracy Hyatt,
Marketing and
Communications
Manager

Nicole Boychuk,
Marketing and
Communication
Coordinator

Mary Davies,
Office Manager

Jessica Peverett
Partnerships & Event
Coordinator

BUSINESS RECRUITMENT COMMITTEE

Jeremy Hayward, Chair
solut

Mark Anderson
CBRE

Alhad Devji
Starlite Room

Alyssa Lefavre
AltaML

Camille Loreau
Qualico Developments

David Olson
Lizotte Real Estate

Keenan Pascal
Token Naturals

Sahr Saffa
C-Tribe

Jimmy Shewchuk
Prairie Catering

Heather Thomson
University of Alberta,
School of Business

MARKETING COMMITTEE

Gilliam Thomson, Chair
DIALOG

Marvin Babiuk
Edmonton Transit

Jon Hall
104 Street Committee

Jesse Kupina
Central Social Hall

Anastasia Lim
University of Alberta

Nykala Shone
Explore Edmonton

Timothy Starchuk
EPCOR

Richard Thorley
Edmonton Public Library

Steven Walton
JW Marriott

OPERATIONS COMMITTEE

Garret Turta, Chair
Fairmont Hotel
Macdonald

Pam Brown
Edmonton City Centre

Staff Sgt. Shawn Bulas
EPS

Tyler Duggan
Aspen Properties

Andrew Jabs
Capital City Clean-Up

Amos Kajner-Nonnekes
Design Group

Sheldon Magnes
Imperial Parking

Nicole Nunes
City of Edmonton - NET

Jaya Panwar
TELUS Communications

Jodi Phelan
Boyle Street Community
Ventures

James Robinson
City of Edmonton

Kevin Thomas
Chamber of Commerce



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, 2021, 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, 2021, 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.

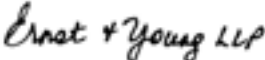
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.


Chartered Professional Accountants

Edmonton, Canada

March 21, 2022.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2021 \$	2020 \$
ASSETS		
Current		
Cash and cash equivalents	625,397	666,767
Short-term investments	204,943	205,087
Accounts receivable	116,209	9,873
Prepaid expenses and deposits	68,798	29,107
	1,015,347	910,834
Capital assets <i>[note 3]</i>	29,036	21,529
	1,044,383	932,362
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	123,006	66,558
Deferred Business Improvement Levy	331,069	260,225
Deferred Grant Revenue	10,194	43,180
Current portion of deferred lease inducement	3,344	4,574
	467,613	374,536
Deferred lease inducement	10,032	-
	477,645	374,536
Commitments <i>[note 4]</i>		
Net assets		
Invested in capital assets	29,036	21,529
Internally restricted <i>[note 5]</i>	537,701	536,297
	566,738	557,826
	1,044,383	932,362

See accompanying notes to the financial statements

On behalf of the Board:

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31

2021				
	Internally restricted		Unrestricted Reserves	Total
	Internally funded capital assets	Specific initiatives		
	\$	\$	\$	\$
Balance, beginning of the year	21,529	536,297	-	557,826
Excess of revenue over expenses	-	-	8,912	8,912
Purchase of capital assets	26,577	-	[26,577]	-
Disposal of capital assets	[4,353]	-	4,353	-
Amortization of capital assets	[14,717]	-	14,717	-
Transfers from specific initiatives <i>[note 5]</i>	-	[55,856]	55,856	-
Transfers to specific initiatives <i>[note 5]</i>	-	57,261	[57,261]	-
Balance, end of year	29,036	537,701	-	566,738

2020				
	Internally restricted		Unrestricted Reserves	Total
	Internally funded capital assets	Specific initiatives		
	\$	\$	\$	\$
Balance, beginning of the year	37,245	549,663	-	586,908
Deficiency of revenue over expenses	-	-	[29,082]	-29,082
Purchase of capital assets	5,546	-	[5,546]	-
Disposal of capital assets	[1,448]	-	1,448	-
Amortization of capital assets	[19,814]	-	19,814	-
Transfers from specific initiatives <i>[note 5]</i>	-	[94,075]	94,075	-
Transfers to specific initiatives <i>[note 5]</i>	-	80,709	[80,709]	-
Balance, end of the year	21,529	536,297	-	557,826

See accompanying notes to the financial statements

STATEMENT OF REVENUE AND EXPENSES

Year ended December 31

	2021	2020
	\$	\$
REVENUE		
Business Improvement Area levy	1,040,899	1,224,586
Sponsorships <i>[note 6]</i>	181,297	46,489
Grants <i>[note 9]</i>	418,876	24,901
Gain on disposal of capital assets	4,796	-
Interest	1,407	3,084
	1,647,274	1,299,060
EXPENSES <i>[note 6]</i>		
Special events and programs <i>[note 9]</i>	652,293	375,935
Public relations and marketing communications <i>[note 9]</i>	300,304	244,980
Winter Lights program	49,892	84,445
Administration		
Salaries and employee benefits	403,115	409,762
Rent and occupancy costs	116,048	102,485
Office	55,602	31,075
Professional fees	19,710	18,778
Amortization of capital assets	14,717	19,814
Conferences and meetings	4,480	2,686
Loss on disposal of capital assets	4,353	-
Telephone, internet and cable	4,184	4,254
Insurance	3,869	8,461
Postage and courier	3,577	3,693
Travel, training and recruitment	3,567	18,984
Bank charges	2,653	2,790
	1,638,363	1,328,143
Excess (deficiency) of revenue over expenses	8,912	(29,082)

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Received from Business Improvement Area levy	1,111,742	1,178,664
Received from programs, grants and special events	353,333	94,351
Amounts paid to vendors and employees	(1,486,214)	(1,436,444)
Interest received	1,549	3,344
Cash used in operating activities	(19,590)	(160,085)
CASH USED IN INVESTING ACTIVITIES		
Purchases of capital assets	(26,577)	(5,546)
Proceeds on sale of capital assets	4,796	1,448
Cash used in investing activities	(21,781)	(4,098)
Decrease in cash and cash equivalents	(41,370)	(164,184)
Cash and cash equivalents, beginning of the year	666,767	830,951
Cash and cash equivalents, end of the year	625,397	666,767

See accompanying notes to the financial statements

INDEPENDENT AUDITOR'S REPORT

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
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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

December 31, 2021

3. Capital assets

	2021		2020	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Tangible				
Office equipment and furniture	19,779	7,808	92,596	86,102
Computer equipment	20,947	12,968	14,132	10,615
Tenant improvements	5,732	70	92,899	83,430
	46,458	20,846	199,627	180,146
Intangible				
Website	21,350	17,926	18,100	16,051
	67,808	38,772	217,727	196,198
Net book value	29,036		21,529	

4. Commitments

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

	\$
2022	233,888
2023	233,888
2024	233,888
2025	232,920
2026	232,740
	1,167,324

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. In 2020, the City of Edmonton advised that the annual costs are under review. The future costs are unknown at the time of audit.

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 are approved by the Board of Directors from time-to-time.

For the year ended December 31, 2021, \$55,856 [2020 - \$94,075] was approved by the Board of Directors to be used for specific initiatives. For the year ended December 31, 2021, \$57,260 [2020 - \$80,079] 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, 2021, includes contributed materials, services and facilities of \$107,520 [2020 - \$31,000], which are equally offset by amounts recorded in special events and 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 \$0 [2020 - nil] with these entities.

9. COVID related events

During the year ended December 31, 2021, the COVID-19 pandemic continued to affect Canada, including the Association of Edmonton. The Association continued to operate during the year with certain employees working remotely and programming shifting to virtual platforms was considered necessary based on the recommendations of local, provincial, and national health authorities. During the year ended December 31, 2021, the Association was able to obtain certain grant funding available to support businesses and aid in pandemic recovery and community engagement efforts.

Grant Funding

Government of Canada [PrairiesCan]	* Public Space Activation	\$206,016
	* Staffing subsidies	
City of Edmonton [Downtown Vibrancy Strategy, Edmonton Economic Recovery]	* Holiday Light Up	\$173,980
	* Rebranding	
EPCOR	* Downtown Live	<u>\$38,880</u>
	Total	\$418,876

In addition, the Association received grants whereby the nature of the funding was a direct reimbursement of costs incurred. During the year ended December 31, 2021, \$587,000 of costs were incurred and recorded in special events and programs, public relations, and marketing. Included in accounts receivable is \$38,493 for costs incurred but not yet reimbursed under the grant program. Grant revenue related to these costs include the following:

Government of Canada [PrairiesCan]	* Downtown Spark	\$487,000
Government of Canada [PrairiesCan]	* Bricks & Mortar [Vignettes]	<u>\$100,000</u>
	Total	\$587,000





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