



annual
report.



NORTHLANDS



pow wow.



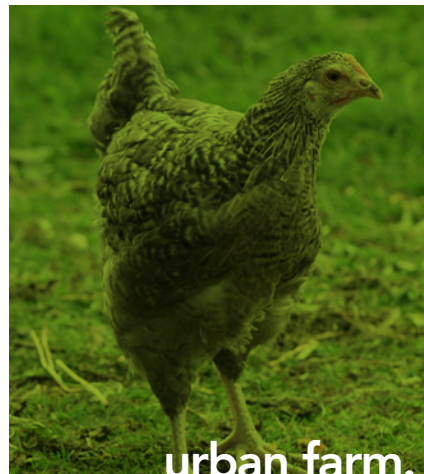
volunteers.



farmfair international.



k-days.



urban farm.



agriculture.



canadian derby.



k-days rodeo.



canadian finals rodeo.



horse racing.



pride.

executive message.



Northlands has come through a time of considerable change and the ripple effect of those changes continue to be impactful. As we navigate this changing landscape, Northlands remains positioned as a sustainable organization for years to come. In the wake of this period of transformation and renewal, we are now poised to move toward an exciting future.

In the past year, Northlands has undertaken some necessary changes. While this change has been hard, it is essential for rejuvenation and equipping Northlands to do great things for the community for the next 139 years. We are now able to position ourselves around a fresh start that is focused on collaboration and building on long standing relationships in the community. Northlands has also relocated its corporate office to Sherwood Park which will broaden our reach in the Region and spur our Agri-business initiatives.

Agricultural programming continued to drive industry engagement in 2017 with Farmfair International welcoming approximately 100 buyers attended from 15 different international markets, a 30% increase year over year. This type of engagement has helped connect Alberta producers to the world with more than \$10 million of tracked sales of live cattle and genetics since 2010.

K-Days, our marquee event, once again delivered exceptional value, saw increased participation, and continued to position Northlands as the pre-eminent event producer in the Edmonton region. The K-Days Rodeo successfully debuted and has already taken the position as the richest one-header rodeo in Canada. Contestants from all over North America came to Edmonton to participate in the event. In addition, alongside the Edmonton Pride Festival, we introduced the “Pride Day”—a unique program that celebrates diversity and community. The success of this partnership saw \$15,000 in net proceeds from the sale of K-Days Pride Socks donated to develop a Youth Grant program that supports LBGTQ2S+ youth in rural communities.

In August, our 2017 thoroughbred racing season at Northlands Park Racetrack & Casino was highlighted by Rico Walcott’s victory at the Canadian Derby aboard Chief Know It All. Walcott’s entire season proved to be a highlight as he won eight races on August 25th and 26th. We are excited for more highlights from this year’s Big Finale at the track.

In November our organization was given the opportunity to celebrate a legacy of excellence as we said a final farewell to the Northlands Coliseum. The 44th and final edition of the Canadian Finals Rodeo at the Coliseum was an historic week filled with emotion and tributes. Athletes, fans, families and friends came together to cheer on champions in the sacred Northlands CFR dirt and close out one



of the most significant chapters of Canadian Rodeo history. Our role in the sport of rodeo was recognized formally when the Northlands Coliseum was inducted into the Canadian Rodeo Hall of Fame as a Site of Rodeo History.

The last official weekend at the Northlands Coliseum was one focused on community. The weekend started with the last official hockey game being played between the Spruce Grove Saints and Okotoks Oilers of the AJHL, and the announcement of a partnership with Edmonton hockey great, Ryan Smyth, the Kinsmen and Kinette clubs of Spruce Grove, and 630 CHED Santa’s Anonymous. Saturday was an open house format for any member of the public to walk the concourse one last time, sit in their favourite seat to recall a memory and for some very lucky people, a chance to skate one last time on Coliseum ice. We were honoured to close on the Sunday with a special multicultural round dance hosted by the Candora Society.


Northlands is proud to maintain a continued partnership with the City of Edmonton. A five-year agreement for K-Days and Farmfair International is in place with an option to extend the agreement for an additional five years. These two major events have significant economic impact and are key components of the culture of our Edmonton Metropolitan Region. We are grateful to Mayor Don Iveson, Edmonton City Council and Administration for their ongoing support and belief in the good work that Northlands has done and will continue to do.

Support at the Provincial level has been immensely meaningful to our organization as well. Northlands continues to support business and strategic outcomes in the areas of Culture and Tourism; Agriculture and Forestry; Education; and Economic Development. We extend appreciation to Premier Rachel Notley and her Cabinet for their support and confidence in our team during this period of transition.

While Northlands has had to look at many elements of our business, we know for certain that investment in our current and future generation of community leaders remains a priority. This includes our ongoing support of bursaries and scholarships. In 2017, Northlands provided nearly \$27,000 in scholarships to area post-secondary institutions and we will continue to make similar investments moving forward. We are committed to the betterment of our community and fostering innovation.

Northlands continues to thrive because of our staff, volunteers, shareholders and community partners. Great people and integrity are what make us what we are and what we will become, and no matter how much the landscape changes, that remains constant.


Kevin Gunderman,
Interim President & CEO


Burke Perry,
Acting Chair of the Board

volunteer board of directors.



Burke Perry
Acting Chair



Nicole Goehring
Provincial Appointee



Dr. Cornelia Kreplin
Municipal Appointee



Gord Wilson



Gene Syvenky



Roberto Noce



Tony Payne



Christy Morin



Jennifer Wood

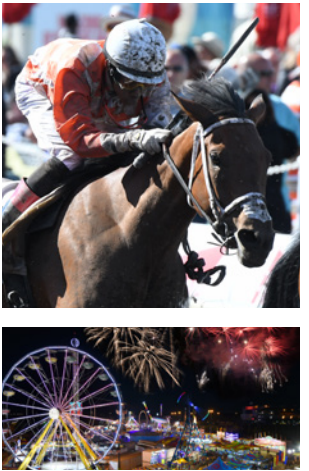
shareholders.

Geraldine Bidulock
Jerry Bouma
Dale Cole
Robin Cumine
Lynn Faulder
Laura Gadowsky

Jackie Rae Greening
W.J.M. (Bill) Henning
Andy Huntley
Don F. Jackson
Harold Kingston
Earl Klapstein

Dale Leschiutta
David Majeski
Mike Marples
A. Ross McBain
Stephen Parker
Cheryl Petruk

Allan A. Shenfield
Don H. Sprague
Dr. Robert Westbury
Gerry Yuen



The accompanying financial and supplementary information of Edmonton Northlands (operating as Northlands) presented in this annual report is the responsibility of Management and has been approved by the Board of Directors.

The financial information has been prepared by Management in accordance with the Canadian accounting standards for not-for-profit organizations (ASNPO).

The financial information incorporates the use of estimates and judgments. Management has determined that the assumptions used in making accounting estimates, are reasonable and appropriate to ensure that the financial information is presented fairly in all material respects.

Northlands maintains and monitors internal financial and administrative controls. These controls are designed to provide reasonable assurance that the financial information is complete, reliable and accurate, and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial information. The Board carries out this responsibility principally through its Finance and Audit Committee.

The Finance and Audit Committee is appointed by the Board, which is comprised of seven members, none of whom are employees of the Company. The Committee meets periodically with Management and the independent auditors, to discuss internal controls over financial reporting, auditing requirements and other financial matters to satisfy their respective fiduciary responsibilities, and to review financial information and the auditor's report.

The Committee reports its findings to the Board for consideration when approving the financial information for issuance to the shareholder members. The Committee also considers, for review by the Board and approval by the shareholder members, the engagement or re-appointment of the auditors.

The financial statements, from which the financial information was derived, have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards, on behalf of the shareholder members. Grant Thornton LLP has full and unrestricted access to the Finance and Audit Committee, with or without management being present.

To access the full version of the 2017 Audited Financial Statements, please visit northlands.com.

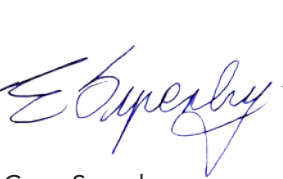
Kevin Gunderman,
Interim President & CEO
Corporate Secretary & Treasurer

Edmonton Northlands

Statement of Financial Position

	December 31, 2017	December 31, 2016
Assets		
Current		
Cash and cash equivalents	\$ 2,978,186	\$ 5,849,576
Accounts receivable	6,185,933	5,342,595
Inventories	535,440	907,089
Prepays	593,399	612,177
Assets held for sale <i>[note 5]</i>	2,691,460	-
	12,984,418	12,711,137
Leased assets and capital assets <i>[note 6]</i>	125,187,629	134,472,458
Land use right <i>[note 6]</i>	3,878,762	4,001,572
	\$ 142,050,809	\$ 151,185,167
Liabilities and Net Assets		
Current		
Bank indebtedness <i>[note 7]</i>	\$ 1,218,038	\$ -
Accounts payable and accrued liabilities	16,038,757	11,161,544
Deferred contributions and revenue <i>[note 13]</i>	240,064	221,123
Funds held for others <i>[note 8]</i>	7,579	2,370,756
Current portion of long-term debt <i>[note 9]</i>	4,439,391	2,690,981
	21,943,829	16,444,404
Long-term debt <i>[note 9]</i>	43,556,258	45,858,867
Deferred capital contributions <i>[note 10]</i>	82,628,104	86,900,883
	148,128,191	149,204,154
Net Assets		
Share capital <i>[note 12]</i>	115	1,765
Invested in capital assets	1,538,887	3,428,088
Unrestricted	(7,616,384)	(1,448,840)
	(6,077,382)	1,981,013
	\$ 142,050,809	\$ 151,185,167

On behalf of the Board:



Gene Syvenky,
Chair, Risk Finance & Audit Committee



Burke Perry,
Acting Chair of the Board

Edmonton Northlands

Statement of Operations

Year Ended December 31

	2017 (Note 15 – discontinued operations)	2016
Revenues		
Northlands Park	\$ 44,616,231	\$ 48,175,770
Northlands Coliseum <i>[note 15]</i>	5,738,252	22,523,371
Agriculture and Signature Events <i>[note 15]</i>	22,770,842	22,889,716
EXPO Centre <i>[note 15]</i>	17,288,300	18,006,935
	90,413,625	111,595,792
Expenditures		
Northlands Park	48,371,659	53,539,096
Northlands Coliseum <i>[note 15]</i>	6,664,226	20,735,214
Agriculture and Signature Events <i>[note 15]</i>	21,436,181	20,859,946
EXPO Centre <i>[note 15]</i>	14,445,790	14,851,928
	90,917,856	109,986,184
(Deficiency)excess of revenues over expenditures before other items	(504,231)	1,609,608
Other items		
Advertising and promotion	4,870,996	4,251,855
Amortization of deferred capital contributions <i>[note 10]</i>	(4,272,779)	(4,274,603)
Depreciation of leased assets and capital assets	7,097,344	7,826,353
Loss on disposal of capital assets	979	40,195
General, administration and corporate programs	8,659,231	10,044,026
Indirect grounds and building maintenance	6,241,683	4,988,378
Interest on long-term debt	2,559,274	2,541,699
Sales, marketing and sponsorship income	(2,382,361)	(2,842,115)
Total other items	22,774,367	22,575,788
Deficiency of revenues over expenditures before grant revenue	(23,278,598)	(20,966,180)
Grant revenues		
Alberta Culture & Tourism	7,324,014	7,324,014
Horse Racing Alberta	7,137,058	6,877,569
Other grant revenue	760,781	2,577,901
Total grant revenues <i>[note 13]</i>	15,221,853	16,779,484
Deficiency of revenues over expenditures	\$ (8,056,745)	\$ (4,186,696)

Edmonton Northlands

Statement of Cash Flows

Year Ended December 31

	2017	2016
Cash Provided By (Used In):		
Operating Activities		
Deficiency of revenues over expenditures	\$ (8,056,745)	\$ (4,186,696)
Items not affecting cash:		
Depreciation of leased assets and capital assets	7,097,344	7,826,353
Loss on disposal of capital assets	979	40,195
Amortization of deferred capital contributions	(4,272,779)	(4,274,603)
	(5,231,201)	(594,751)
Increase (decrease) in non-cash operating working capital		
Accounts receivable	(843,337)	(589,643)
Inventories	371,650	(248,652)
Prepays	18,778	(47,587)
Accounts payable and accrued liabilities	4,877,213	(767,206)
Deferred contributions and revenue	18,940	(858,300)
Funds held for others	(2,363,178)	(5,663,511)
Cash (used in) operating activities	(3,151,135)	(8,769,650)
Investing Activities		
Decrease (increase) in short-term investments	-	5,024,308
Proceeds on disposal of capital assets	-	39,911
Purchase of capital assets	(382,144)	(1,231,785)
Cash (used in) provided by investing activities	(382,144)	3,832,434
Financing Activities		
Increase in bank indebtedness	1,218,038	-
Contributions for capital assets	-	(126,495)
Repayment of long-term debt	(554,199)	(992,278)
(Decrease) increase in share capital	(1,650)	125
Cash provided by (used in) financing activities	662,189	(1,118,648)
Net decrease in cash and cash equivalents	(2,871,090)	(6,055,865)
Cash and cash equivalents, beginning of year	5,849,276	11,905,141
Cash and cash equivalents, end of year	\$ 2,978,186	\$ 5,849,276

Edmonton Northlands

Statement of Changes in Net Assets

Year Ended December 31

	Share Capital	Invested in Capital Assets	Unrestricted	2017	2016
Balance, beginning of year	\$ 1,765	\$ 3,428,088	\$ (1,448,840)	\$ 1,981,013	\$ 6,167,584
Deficiency of revenues over expenditures	-	-	(8,056,745)	(8,056,745)	(4,186,696)
Purchase of leased assets and capital assets	-	382,144	(382,144)	-	-
Depreciation of capital assets	-	(7,097,344)	7,097,344	-	-
Loss on disposal of assets	-	(979)	979	-	-
Amortization of deferred capital contributions	-	4,272,779	(4,272,779)	-	-
Repayment of long-term debt	-	554,199	(554,199)	-	-
(Decrease)increase in share capital	(1,650)	-	-	(1,650)	125
Balance, end of year	\$ 115	\$ 1,538,887	\$ (7,616,384)	\$ (6,077,382)	\$ 1,981,013

Exhibit A

Net Funds Generated by Northlands to Federal and Provincial Agencies

\$ Millions	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	10 Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	Cumulative
HRA ¹ fees & levies	4.1	4.5	5.3	5.4	5.5	5.5	6.1	6.1	6.4	7.0	55.9
AGLC ² gaming proceeds	19.6	20.3	23.8	24.6	25.8	28.4	29.6	31.7	32.8	35.4	272.0
Federal tax	0.6	0.7	0.8	0.8	0.8	0.8	0.9	0.9	0.9	1.0	8.2
Generated by Northlands	24.3	25.5	29.9	30.8	32.1	34.7	36.6	38.7	40.1	43.4	336.1
Discretionary grant/pari-mutuel tax rebate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.9	2.0
HRA Operating Grant	7.1	6.9	8.1	7.4	7.7	8.4	8.6	9.2	6.8	7.3	77.5
HRA Transitional Funding Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	1.1	4.0
HRA Capital Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Alberta Lottery Grants	7.6	7.6	8.1	9.4	9.5	9.4	9.4	9.6	10.1	10.1	90.8
Received by Northlands	14.7	14.5	16.2	16.8	17.2	17.8	18.0	18.8	20.9	19.4	174.3
Net funds generated by Northlands	9.6	11.0	13.7	14.0	14.9	16.9	18.6	19.9	19.2	24.0	161.8

¹HRA (Horse Racing Alberta)

²AGLC (Alberta Gaming and Liquor Commission)



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