

# BEYOND THE TIPPING POINT

2006 ANNUAL REPORT



Only Downtown. [www.edmontondowntown.com](http://www.edmontondowntown.com)



downtown  
business  
association



## 2006 ASSOCIATION STAFF

(Left to Right)

Kathleen Ong, *Communications Coordinator*

Adrienne Stewart, *Marketing and Communications Manager*

Jim Taylor, *Executive Director*

Christine Watson, *Information Coordinator*

Mary Davies, *Office Manager*

### MISSION STATEMENT – ONLY DOWNTOWN

Through its leadership in marketing and advocacy, the Downtown Business Association will continually work towards making Downtown Edmonton the preferred place to live, work, shop, play and learn.

#### Goals

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

- Promote downtown Edmonton's image and identity through events, promotions and marketing;
- Encourage planning and environmental standards for new developments and promote beautification, safety, and mobility;
- Provide leadership and communicate matters of concern to members, government officials and the public.

### ASSOCIATION LEGAL PROFILE

The Downtown Business Association of Edmonton Business Revitalization Zone (BRZ) was established by a City of Edmonton bylaw on November 26, 1985.

The Association represents and services those assessed for business tax located within the geographical boundaries of 111 Street to 95 Street and 105 Avenue to 97 Avenue. The City's official Downtown BRZ is Bylaw #7968 (as amended).

The members of the Board of Directors are appointed by City Council. Board members represent large and small businesses within the BRZ. The two City Councilors who represent downtown are ex-officio members of the Board.

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

Every Edmonton downtown business and citizen is encouraged to participate in this opportunity to promote downtown and further improve the quality of life for Edmontonians.

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*The energy and excitement in the city is at an all time high as the downtown area continues to experience growth in construction, business levels and cultural activities.*

## MESSAGE FROM THE CHAIR

ON BEHALF of the Board of Directors, the four standing committees along with their chairs, and all of the staff, I am pleased to present the 21<sup>st</sup> Annual Report for the Downtown Business Association.

2006 was another banner year for the City of Edmonton and the Downtown Business Association.

The energy and excitement in the city is at an all time high as the downtown area continues to experience growth in construction, business levels and cultural activities. The Association was every bit prepared and enjoyed a successful 2006 led by new Board Members and the dedication of our volunteers.

The year started off with the excitement of the Edmonton Oilers and their success in the 2005/2006 Stanley Cup play-offs. The grit and determination displayed by the team was a shining example of what makes the City of Edmonton and its downtown a great place to live, work, shop and play.

It is my honour and privilege to provide an overview of the many achievements and ongoing progress in the efforts of our Association for the past year.

- Active participation in the Bus Rapid Transit Study affecting the downtown core. Among many suggestions, the DBA communicated the need for the plan to include viable and affordable transportation options to move people in and around the downtown core and its linkages to the LRT, member businesses and learning centers.
- A tribute to our outgoing Board Member, Sheldon Jacobs, for his outstanding contribution to the Association. Serving on the Executive Board of Directors and responsible for the Association's finances, Mr. Jacobs steered the Association into a solid

financial position. We thank Sheldon Jacobs and Mary Davies for their efforts. We also recognize Jim MacDonald for his 12 years of service to the DBA.

- The second Downtown Security Summit was held on April 4<sup>th</sup>, 2006 at City Hall. The Summit was well attended by downtown business owners and resulted in many resolutions which were discussed and put into action. This initiative is championed by our Operations Committee.
- The downtown core welcomed the Pacific Northwest Economic Region (PNWER) Annual Summit which was attended by more than 400 key business and legislative leaders. The major focus of this high power Summit was economic and sustainable development, healthcare, agriculture, border issues, high tech, homeland security, water policy and workforce development.
- The Association played a supporting role in the 2006 Edmonton International Film Festival celebrating its 20<sup>th</sup> anniversary of bringing international cinema to Edmonton audiences. A record 430 films were submitted, representing a 95% increase over last year.

The Downtown Business Association appreciates your continued support and confidence as we enter another exciting year. We welcome your suggestions and feedback.

Sincerely,

*Richard Wong*  
*Downtown Business Association Chair*



*It's now time to shape and manage what will be a continuing process of growth and changing dynamics as our revitalized Downtown finds its own unique place among the important cities in Canada*

## THE CAKE'S BAKED; NOW LET'S WORRY ABOUT THE ICING

WE'VE BEEN TALKING about revitalizing Downtown for over a decade now. The Capital City Downtown Plan was passed by City Council in April of 1997 and is presently undergoing a complete update. The positive changes we witnessed over this last decade have been nothing short of dramatic as far as numbers and statistics are concerned when we look at residential and student populations and office tenancy. And, visually, the hundreds of millions of dollars of construction underway involving the University of Alberta, MacEwan College, the YMCA and the Art Gallery of Alberta, combined with the explosion of new highrise condos and the street level façade improvement program, are, cumulatively, changing the face of the Downtown. In fact, we've passed the tipping point; you couldn't stop it now if you wanted to.

So, what's next? Where do we go from here? I think the answer's clear; it's now time to shape and manage what will be a continuing process of growth and changing dynamics as our revitalized Downtown finds its own unique place among the important cities in Canada. Because we're no longer faced with the desperation that we felt a decade ago when we contemplated

our Downtown, we now have the luxury of concentrating on planning and design that considers the uniqueness of Edmonton and will make our Downtown different from all those other Downtowns in major cities. The residential highrises continue to be announced, older office towers are, suddenly, being retrofitted as commercial buildings rather than residential projects and we know we're on the verge of seeing the first new, highrise office tower built in the Downtown in about twenty years.

The cake's baked; what we're experiencing now is all icing. How about a new arena in the Downtown as a nucleus for a kick start of about a billion dollars worth of north east edge, mixed development? Now that's the kind of frosting that'll have everyone licking their fingers!

*Jim Taylor*  
*Executive Director*



## THE PEOPLE THAT ARE SHAPING DOWNTOWN

### EXECUTIVE COMMITTEE

The Executive Committee is within 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.

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#### Members

Chair, Richard Wong  
*Sutton Place Hotel*

Vice Chair, John Frederickson  
*Oxford Properties Group*

Treasurer, Brad Perkins  
*KPMG LLP*

Secretary, Martha Jamieson  
*DDB Canada*

Dr. Wayne Shillington  
*NorQuest College*

Ex-Officio, Ian MacLeod  
*Qualico Developments*

### FINANCE COMMITTEE

The Finance Committee is established by the Downtown Business Association's Executive Committee in January of each year. The objectives of the Committee are to provide input on:

- Finances and financial procedures of the Association
- Staffing and staff operations
- The Annual Spring Luncheon
- The Fall Annual General Meeting and Luncheon

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#### Members

Chair, Brad Perkins  
*KPMG LLP*

Richard Wong  
*Sutton Place Hotel*

John Frederickson  
*Oxford Properties Group*

Martha Jamieson  
*DDB Canada*

Dr. Wayne Shillington  
*NorQuest College*

*The Executive Committee is within the management function of the Association.*

*The Finance Committee is established by the Downtown Business Association's Executive Committee in January of each year.*



## COMMITTEES

### BUSINESS RECRUITMENT COMMITTEE

Originating as an initiative of the Capital City Downtown Plan, the Business Recruitment Committee's purpose is to promote and encourage business development downtown by:

- Business Recruitment – To attract new businesses into the downtown with an emphasis on storefront retail, restaurant and commercial services
- Business Development – To assist new businesses with starting up their business in the downtown. The main objective is to provide services that will assist in fast tracking the process to establish a positive business environment downtown.
- Business Retention – To assist existing businesses by providing them with any information that they require to make educated, well informed decisions to stay in the downtown core.

*The Business Recruitment Committee's purpose is to promote and encourage business development downtown*



### Highlights:

- A Business Owners' Workshop for the Government district was held at the Inn on 107th. Participants included restaurant and food service business owners from the area as well as representative consumers from major employers in the Government district.
- Throughout the summer of 2006, the Committee's University of Alberta CIRAS (Canadian Institute of Retail and Service) Student assisted the Committee by completing an in-depth market analysis of the learning institutions in the downtown core. This research project spawned an ad hoc committee of senior downtown educators who have met to discuss the implementation of special projects.

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### Members

Chair, Darrin Geddes

*Standard Life Assurance Company*

Ian Bradley

*Colliers International*

Mark Hicks

*Healy Ford*

Kelley Janel

*Oxford Properties Inc.*

Kent McMullin

*Economic Development Edmonton*

Darin Rayburn

*Melcor Developments*

Brad Smith

*The Canapen Group*

Cory Wosnack

*Avison Young Commercial Real Estate*

Shaun Wuschke

*Bentall Real Estate Services*

## OPERATIONS COMMITTEE

The Operations Committee works extensively with various Departments of the City of Edmonton 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 Operations Committee is extremely active and has exceeded expectations in the completion of its initiatives for 2006. The following are just a few of the many successful projects put forth by the Operations Committee in the past year:

### Highlights:

- In partnership with The Works Art & Design in Public Places Program, the Operations' Banner Subcommittee led a project to place 7 new metal banner sculptures throughout Rice Howard Way North and South.
- The Edmonton Police Service, the DBA and Holiday Inn Express Hotel hosted a Downtown Security Seminar in an effort to educate the downtown business community on safety and security issues in the core.
- The Operations Committee held two Security Summits in spring and fall 2006 which brought together all stakeholders in the DBA's Security Network to strengthen the network and ensure its sustainability.
- Partnered with the City of Edmonton for Capital City Clean-up, a project aimed at maintaining cleanliness in the core.
- Pitch it; Don't ditch it – Downtown's Cigarette Butt Litter program was launched by the Operations Committee in 2006. The program raised awareness and educated property managers and smokers about the negative effects of cigarette litter.



One of seven new metal banner sculptures in Rice Howard Way

### Members

Co-Chair, Lance Frazier  
*Frazier Realty Corp.*

Co-Chair, David McCalla  
*Corbett Smith Breese LLP*

Bob Anderson  
*City of Edmonton Corporate Security*

Kevin Barrie  
*Paladin Security Group Ltd.*

Cnst. Kyle Deeg  
*Edmonton Police Service*

Braden Formanek  
*Imperial Parking*

Sgt. Dean Hilton  
*Edmonton Police Service*

Cnst. Don Kightley  
*Edmonton Police Service*

Dave Kinsman  
*City of Edmonton Parking & Bylaws*

Cnst. Glen Klose  
*Edmonton Police Service*

Cnst. Joe Lewis  
*Edmonton Police Service*

Bohdan Maslo  
*City of Edmonton Public Works*

Dennis Nowicki  
*City of Edmonton – ETS*

Kelly Oakes  
*City of Edmonton Transportation*

Frank Robinson  
*Oxford Properties Inc.*

Glen Scheuerman  
*Morguard Investments*

Sarah Sinclair  
*National Bank of Canada*

Cnst. Derrick Tabaka  
*Edmonton Police Service*

Brian Van Sickle  
*City of Edmonton Planning & Development*

Cnst. Jody Vegh  
*Edmonton Police Service*

Bob Watson  
*City of Edmonton, Parkland Services, AMPW*



*Above:  
Family Day festivities*



*Below:  
Holiday Celebrations*

## COMMITTEES

### MARKETING COMMITTEE

The Marketing Committee is responsible for all communication efforts aimed at internal and external groups to the Downtown Business Association. This includes promoting downtown's image to our target market through advertising, events and promotions, as well as keeping the downtown business community and committee members informed about DBA activities and initiatives.

The committee is complemented by the diverse experience base of its members which ranges from advertising, communications, and media to event planners and marketing professionals. These members have delivered many successful projects in their own professional field as well as have assisted with many of the DBA's events and special projects.

### Communication Tools

- Marketing Plan and Budget
- Advertising Campaign
- Downtown Business Association website, [www.edmontondowntown.com](http://www.edmontondowntown.com)
- Downtown Advantage Newsletter
- Three Minute Update
- Guide to Downtown and Downtown Map

### Events

- Committee Mixer
- Family Day Festival – Achieved record numbers in attendance and solidified partnerships with participating venues
- Downtown Dining Week – Over 13 downtown restaurants participated in the 2006 promotion, increasing attendance and awareness
- Annual Spring Luncheon

- Continued promotion of the Downtown Dollar program
- Canada Day promotions
- Fall Annual General Meeting and Luncheon
- 16th Annual Chili Cook-Off which helped raise over \$4,000 for ArtStart
- 19th Annual Jingle On Indoor Santa Claus Parade and Winter Carnival kicked off the holiday season and brought our biggest Christmas tree yet to Churchill Square for our Holiday Light Up



*Above:  
Jingle On Indoor Santa  
Claus Parade Banner*

*Below:  
One of the billboards from  
the advertising campaign*

## Community Involvement and Partnerships

- Support our chosen charity ArtStart, an inner city arts program for children.
- The Core Crew returned this summer patrolling the streets of Downtown Edmonton providing tourist information and Downtown Walking Tours, safety reporting, litter control and hospitality to businesses, residents and visitors.
- The DBA was a key partner in the execution of Capital City Clean-up, which encouraged businesses to do their part in keeping downtown clean.
- Ride the Wave for Communities in Bloom program to beautify downtown parks and streets gathered downtown businesses together to participate.
- Dispersed \$35,000 in Downtown Festival and Event Grants in 2006. Grants were awarded to:
  - City Market on 104th Street
  - Dreamspeakers Film Festival
  - Feats Festival of Dance
  - Global Visions Film Festival
  - Edmonton International Film Festival
  - Edmonton International Literary Festival
  - Edmonton International Street Performers Festival
  - Edmonton Police Service Bicycle
  - A Taste of Edmonton
  - New Year's Eve Downtown
  - Syncrude NeXt Generation Arts Festival
  - The Works Art & Design Festival
  - Yardbird Jazz Festival

## Members

- Chair, Dianne Allen  
*EPCOR*
- Co-Chair, Martha Jamieson  
*DDB Canada*
- Mary Barendrecht-Kohn  
*Edmonton Tourism*
- Ryan Barkway  
*University of Alberta School of Business*
- Don Belanger  
*City of Edmonton Corporate Services*
- Janice Brown  
*ATB Financial*
- Greg Burns  
*Oxford Properties Inc.*
- Pat Church  
*Edmonton Transit System*
- Jana Clarke  
*MacEwan College*
- Ed Hawkes  
*Morguard Investments*
- Kevin Kwan  
*Kwantum Wellness Centre*
- Elizabeth Lensen  
*Manpower*
- Sonja Martens  
*Edmonton Transit Community Relations*
- Kate Osler  
*CBC Communications – Edmonton*
- Pam Petrin  
*CBC Edmonton*
- Linda Poignant  
*Edmonton Journal*



*Top to Bottom:*

*City Market on  
104 Street*

*The Works Art &  
Design Festival*

*Taste of Edmonton*

*DBA Core Crew*

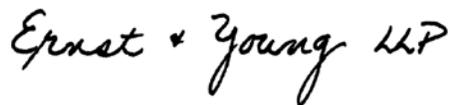
## AUDITOR'S REPORT

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

We have audited the balance sheet of the Downtown Business Association of Edmonton as at December 31, 2006, and the statements of changes in net assets, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The image shows a handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Chartered Accountants  
Edmonton, Canada  
February 16, 2007

DOWNTOWN BUSINESS ASSOCIATION OF EDMONTON  
BALANCE SHEET

As at December 31

	2006 \$	2005 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	262,712	254,834
Accounts receivable	43,448	43,347
Prepaid expenses	14,492	9,232
	320,652	307,413
Capital assets <i>[note 3]</i>	12,356	6,457
	333,008	313,870
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	36,102	56,345
Provision for redemption of parking tokens <i>[note 4]</i>	112,710	106,599
Current portion of capital lease obligation	–	266
Deferred contributions – restricted <i>[note 5]</i>	18,884	13,598
	167,696	176,808
Deferred contributions – capital <i>[note 6]</i>	2,372	1,626
	170,068	178,434
<b>Commitments <i>[note 7]</i></b>		
<b>Net Assets</b>		
Invested in capital assets	9,983	4,564
Internally restricted <i>[note 8]</i>	132,957	110,872
Unrestricted	20,000	20,000
	162,940	135,436
	333,008	313,870

See accompanying notes

On behalf of the Board:



Chair



Executive Director

DOWNTOWN BUSINESS ASSOCIATION OF EDMONTON  
**STATEMENT OF CHANGES IN NET ASSETS**

Year ended December 31

	2006				2005
	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total \$	Total \$
<b>Balance, beginning of year</b>	4,564	110,872	20,000	135,436	113,892
Transfer of internally restricted funds <i>[note 8]</i>	11,420	(44,780)	33,360	–	–
Transfer to internally restricted <i>[note 8]</i>	–	66,865	(66,865)	–	–
Excess of revenue over expenditures	–	–	27,504	27,504	21,544
Amortization of capital assets	(4,895)	–	4,895	–	–
Loss on capital asset disposal	(3,676)	–	3,676	–	–
Repayment of capital lease obligations	266	–	(266)	–	–
Amortization of deferred contributions – capital <i>[note 6]</i>	2,304	–	(2,304)	–	–
<b>Balance, end of year</b>	<b>9,983</b>	<b>132,957</b>	<b>20,000</b>	<b>162,940</b>	<b>135,436</b>

*See accompanying notes*

DOWNTOWN BUSINESS ASSOCIATION OF EDMONTON  
**STATEMENT OF REVENUE AND EXPENDITURES**

Year ended December 31

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Business revitalization zone levy <i>[note 5]</i>	701,149	684,369
Sponsorships <i>[note 9]</i>	260,031	213,656
Downtown Dollar token sales	88,075	82,600
Advertising and other	28,720	80,285
Interest	8,726	4,020
Amortization of deferred contributions – capital <i>[note 6]</i>	2,304	546
	<b>1,089,005</b>	<b>1,065,476</b>
<b>EXPENDITURES</b>		
Special events and programs	391,384	421,508
Public relations and marketing communications	201,273	167,890
Downtown Dollar program	88,456	82,806
<b>Administration</b>		
Wages and employee benefits	257,482	245,114
Rent and occupancy costs	47,211	57,589
Office	23,286	22,106
Professional fees	14,038	12,000
Telephone and utilities	11,139	11,233
Meetings	6,097	6,432
Postage and courier	5,041	7,490
Amortization of capital assets	4,895	3,067
Loss on capital asset disposal	3,676	–
Insurance	3,594	3,673
Interest and bank charges	2,723	2,233
Travel and training	956	791
Miscellaneous	250	–
	<b>1,061,501</b>	<b>1,043,932</b>
<b>Excess of revenue over expenditures</b>	<b>27,504</b>	<b>21,544</b>

*See accompanying notes*

DOWNTOWN BUSINESS ASSOCIATION OF EDMONTON  
**STATEMENT OF CASH FLOWS**

Year ended December 31

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Received from business revitalization zone levy <i>[note 5]</i>	701,149	684,369
Received from sales, programs and special events	162,390	141,619
Amounts paid to vendors and employees	(851,587)	(846,588)
Interest received	7,612	2,040
<b>Cash flows from operating activities</b>	<b>19,564</b>	<b>(18,560)</b>
<b>INVESTING AND FINANCING ACTIVITIES</b>		
Purchase of capital assets	(11,420)	(1,594)
Repayment of capital leases	(266)	(719)
<b>Cash flows from investing and financing activities</b>	<b>(11,686)</b>	<b>(2,313)</b>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	<b>7,878</b>	<b>(20,873)</b>
Cash and cash equivalents, beginning of the year	254,834	275,707
<b>Cash and cash equivalents, end of the year</b>	<b>262,712</b>	<b>254,834</b>
<b>Cash and cash equivalents, comprised of:</b>		
Cash	61,546	56,654
Term deposits <i>[note 2]</i>	201,166	198,180
	<b>262,712</b>	<b>254,834</b>

*See accompanying notes*

DOWNTOWN BUSINESS ASSOCIATION OF EDMONTON  
NOTES TO FINANCIAL STATEMENTS

December 31, 2006

**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, the Downtown Business Association of Edmonton (the "Association"), under the Municipal Government Act.

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

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada and reflect the accounting policies summarized below.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash and term deposits as follows:

<b>Maturity date</b>	<b>Rate</b>	<b>Amount</b>
January 5, 2007	3.00%	\$65,450
September 27, 2007	3.25%	\$67,858
September 27, 2007	3.25%	\$67,858

These term deposits can be redeemed, without penalty, prior to the stated maturity date.

**Capital assets**

Capital assets are recorded at cost and amortized on a straight-line basis over the following periods:

Tokens	3 years
Office equipment and furniture	5 years
Computer equipment	3 years
Website	3 years
Leasehold improvements	Over the lease term

**Revenue recognition**

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is assured.

DOWNTOWN BUSINESS ASSOCIATION OF EDMONTON  
**NOTES TO FINANCIAL STATEMENTS**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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. Volunteers contribute hours in carrying out governance and certain operating activities of the Association. Due to the difficulty in determining their fair value, contributed volunteer services are not recognized in the financial statements.

**Financial instruments**

Financial instruments are comprised of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and provision for redemption of parking tokens. Unless otherwise disclosed, the fair value of these instruments approximates their carrying value.

**Measurement uncertainty**

Management of the Association exercises its best judgement with regard to certain estimates and assumptions which affect the reported amounts of revenue, expenditures, assets and liabilities. Actual results could differ materially from management's estimates.

**3. CAPITAL ASSETS**

	2006		2005	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Tokens	16,150	16,150	16,150	16,150
Office equipment and furniture	69,893	69,322	69,893	69,093
Computer equipment	26,865	21,342	20,445	18,939
Website	8,050	1,788	7,129	2,978
Leasehold improvements	37,884	37,884	37,884	37,884
	158,842	146,486	151,501	145,044
<b>Net book value</b>		12,356		6,457

**4. PROVISION FOR REDEMPTION OF PARKING TOKENS**

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

DOWNTOWN BUSINESS ASSOCIATION OF EDMONTON  
**NOTES TO FINANCIAL STATEMENTS**

**5. DEFERRED CONTRIBUTION – RESTRICTED**

Contributions received relating to future years' expenditures are deferred and recognized as revenue in the year in which the related expenses are incurred as follows:

	2006			
	Beginning balance	Funding received / receivable	Recognized to revenue	Ending balance
	\$	\$	\$	\$
<b>Business revitalization zone levy</b>	–	701,149	(701,149)	–
<b>Federal government grant – Green Team Project</b>	3,598	–	(3,598)	–
<b>Core Crew Project</b>	10,000	30,000	(22,225)	17,775
<b>Other</b>	–	1,965	(856)	1,109
	13,598	733,114	(727,828)	18,884

	2005			
	Beginning balance	Funding received / receivable	Recognized to revenue	Ending balance
	\$	\$	\$	\$
Business revitalization zone levy	–	684,369	(684,369)	–
Federal government grant - Green Team Project	55,000	–	(51,402)	3,598
Core Crew Project	–	10,000	–	10,000
Other	900	–	(900)	–
	55,900	694,369	(736,671)	13,598

The Association has completed its work in partnership with the Boyle Street Co-op and the Boyle Street Education Centre (the Green Team Project) in respect of both phases of the project and no future grants are expected.

The Core Crew Project is a summer program designed to promote Downtown Edmonton during the peak tourist season. Summer students are hired as ambassadors by the Association to liaise with the public and members of the Association in areas such as tourism, business relations and security. This program is funded in part by the Association and in partnership with key stakeholders in Downtown Edmonton.

**6. DEFERRED CONTRIBUTIONS – CAPITAL**

Contributions that are used to purchase capital assets are deferred and amortized to revenue on the same basis as the purchased capital assets are amortized as follows:

	2006	2005
	\$	\$
<b>Balance, beginning of the year</b>	1,626	2,172
Received	3,050	–
Less amounts amortized to revenue	(2,304)	(546)
<b>Balance, end of the year</b>	2,372	1,626

**7. COMMITMENTS**

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

	\$
2007	85,519
2008	85,519
2009	93,715
2010	90,280
2011	89,580

Annual rent payments include estimated operating costs and property taxes based on current year amounts.

The Association, acting as agent for the Art and Design in Public Places Program, is committed to provide to The Works Visual Arts Society various services and support with a cash and in-kind value of \$24,150 per annum ending December 31, 2008. Services and support expected to be provided include meeting facilities, access to office equipment, clerical support, volunteer support and general support.

**8. INTERNALLY RESTRICTED**

The Board of Directors has formally imposed restrictions on certain of the Association's net assets. Internally restricted net assets are to be used either to fund unforeseen expenditures or to fund specific spending initiatives as approved by the Board of Directors. For the year ended December 31, 2006, \$44,780 was approved by the Board of Directors to be used for specific initiatives. For the year ended December 31, 2006, the Board of Directors also approved the transfer of \$66,865 to internally restricted resources.

**9. SPONSORSHIPS**

Included in sponsorships are contributed materials, services and facilities of \$226,845 (2005 - \$177,856).

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