



downtown
business
association

annual report
2005

10121 Jasper Avenue
Edmonton, Alberta, Canada T5J 4X6
Phone: 780.424.4085
Fax: 780.425.7805
Executive Director: Jim Taylor
Chair: Richard Wong
www.edmontondowntown.com

Photo Credits: EPIC Photography

downtown is taking off



downtown
business
association

annual report

2005



table of contents



inside cover	Mission Statement
inside cover	Association Legal Profile
page 1	Message from the Chair
page 2	Message from the Executive Director
page 3	Business Recruitment Committee
page 3	Executive Committee
page 3	Finance Committee
page 4	Marketing Committee
page 5	Operations Committee
page 6	Urban Design Review Panel
page 7-16	2005 Financials
page 17	Board of Directors

2005 Association Staff

Front Row (left to right)

Jim Taylor
Executive Director

Sharon Stepaniuk
Marketing and Communications Manager

Back Row (left to right)

Christine Watson
Information Coordinator

Mary Davies
Office Manager

Leanne Krysa
Communications Coordinator



2005



downtown
business
association

annual report

Mission Statement

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 and play.

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 serves 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 Councillors 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.

Message from the Chair

On behalf of the Board of Directors, the four standing committees, their Chairs, and the staff, I am pleased to present the 20th annual report for the Downtown Business Association.

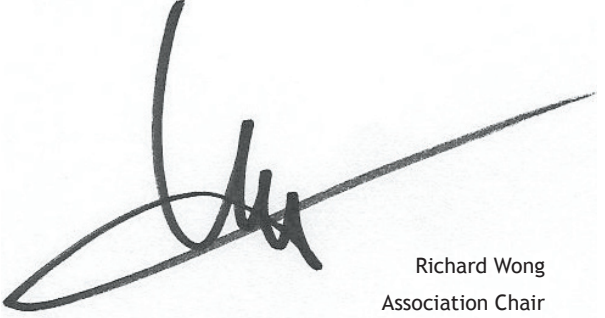
2005 was an exciting year for Edmonton and the Downtown Business Association. Alberta's 100th birthday, Queen Elizabeth and Prince Philip's Royal visit, the 2005 Brier, 2005 World Masters Games and the Inaugural Champ Car race kept the city buzzing, putting downtown Edmonton on the map again.

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

- A regeneration through new Board Members and increased numbers of volunteers on the various committees.
- Administrative success. A new Operational Bylaw, staff compensation policy and a new, in-depth, 3-year Strategic Plan were accomplished.
- Good financial management and responsibility were achieved in the year with budget surpluses earmarked to support our new 3-year Strategic Plan and capital improvements.
- The Operations Committee held a very successful Security Seminar, which is now an annual event. In addition, a first ever summit was also held for the purpose of bringing together personnel in the security business throughout the downtown.
- The first annual "Clean Slate" graffiti project partnering with Edmonton Police Service to help members address and manage the inherent issue.
- The Banner Sculpture Project on Rice Howard Way is flying high adding artwork and interest. The street is now home to "Gigi", our new downtown resident landmark.
- Flower Pot Project along Jasper Avenue. Thank you to all the businesses for the support and participation reclaiming Jasper Avenue as Edmonton's main street.

- Capital City Cleanup. The Association played an active role partnering with the City of Edmonton to launch this worthy project.
- Downtown Capital City Plan Update. As a major stakeholder, we are heavily involved working with the City of Edmonton and other interested parties making the downtown a desirable place to live, work, shop and play.
- Jingle On - Downtown's Annual Indoor Santa Claus Parade and Holiday Light Up, saw participation reaching new heights. The EPCOR tree light up in Churchill Square was a big success and wonderful addition to the Holiday Season festivities.

The Downtown Business Association appreciates your continued support and confidence as we enter another promising year. If you have any suggestions or feedback, please visit us anytime.



Richard Wong
Association Chair



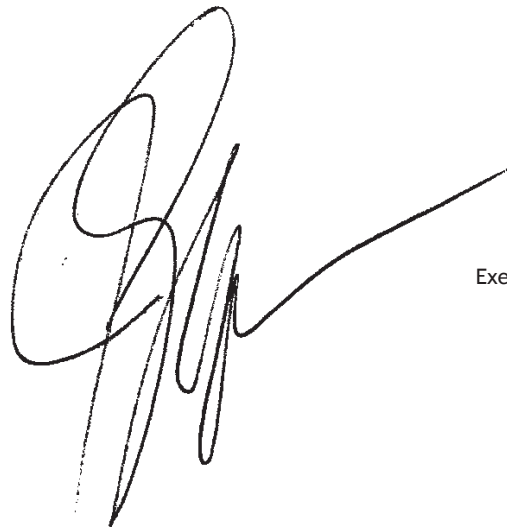
Message from the Executive Director

Get Ready for the Booster Shot; Here We Go Again!

In early 1994, recognizing the plight of our downtown, the City's senior management team, with the blessing of City Council, formed a Downtown Plan Review Steering Committee made up of dedicated stakeholders with a vital interest in turning around the dramatic decline in the heart of the City. The Steering Committee worked for three years with equally dedicated City employees coordinated by the Planning Department. The result of their labor was a bylaw entitled The Capital City Downtown Plan which was passed, unanimously, by City Council on April 30, 1997. The policies contained in that Bylaw, and, perhaps more importantly, the 77 action items listed, were, in great measure, the impetus that kick started what has been an incredible rebirth of Edmonton's downtown.

But that was ten years and three City Councils ago. Many of the stakeholders and most of the Members of Council who were the drivers of the Downtown Plan are no longer front and center and that impetus driven by the City has, understandably, waned. While I truly believe that the revitalization that's well underway in the core is virtually unstoppable, there is a danger of it losing its sense of urgency and becoming disjointed and uncoordinated. There is also a need to have key stakeholders and politicians, especially our Members of City Council, feel an ownership in policies and action items that address current issues.

And, just as the need becomes apparent, the City's Planning and Development Department is riding to the rescue. 2006 will see the culmination of The Capital City Downtown Plan Update project started in 2005. By the end of this year, and after intense interdepartmental cooperation, stakeholder consultation, open houses and a Public Hearing before City Council, all those who are vitally interested in the rebirth of our downtown will have a chance to embrace new policies and action items in a new Capital City Downtown Plan that will provide a new impetus to take us over the top and down the final stretch to the exciting, vibrant city center that Edmonton and the Capital Region need.

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Jim Taylor
Executive Director

Business Recruitment Committee

Members

Chair, Darrin Geddes
Standard Life Assurance Company

Ian Bradley
Colliers International

Adam Farr
City of Edmonton Planning & Development

Mark Hicks
Healy Ford

Kelley Janel
Oxford Properties Inc.

Phil Markovich
Bentall Real Estate Services

Kent McMullin
Edmonton Economic Development Corporation

Darin Rayburn
Melcor Developments

Brad Smith
The Canapen Group

Corey Wosnack
Avison Young Commercial Real Estate

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

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

Highlights:

- The Business Recruitment Program was initiated, targeting selected businesses as indicated from the 2003 and 2004 surveys and supplying them with Business Recruitment Packages. A PowerPoint presentation was also developed as a further introduction to the package.
- A University of Alberta CIRAS Student once again assisted the Business Recruitment Committee and the DBA, updating the current database as well as developing and implementing a survey of Capital Health Employees.
- The CIRAS Student also assisted in implementing strategies for business retention and recruitment in the area around the new Capital Health Centre as a result of the survey. Initial strategies included the distribution of DBA Packages containing the Capital Health Survey Summary and other recruitment and retention documents to over 50 businesses in the food service industry located in the vicinity of the new Capital Health Building as well as hosting a Business Owners' Workshop for the Government District.

Executive Committee

Members

Chair, Richard Wong
Sutton Place Hotel

Vice Chair, John Frederickson
Oxford Properties Group

Treasurer, Sheldon Jacobs
KPMG LLP

Secretary, Martha Jamieson
DDB Canada

Past Chair, Jim Macdonald
Expert Parking

Ex-Officio, Ian MacLeod
Qualico Developments

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.

Finance Committee

Members

Chair, Sheldon Jacobs
KPMG LLP

John Frederickson
Oxford Properties Group

Martha Jamieson
DDB Canada

Jim Macdonald
Expert Parking

Richard Wong
Sutton Place Hotel

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



Marketing Committee

Members

Chair, Dianne Allen
EPCOR
Co-Chair, Martha Jamieson
DDB Canada

Mary Barendrecht-Kohn
Edmonton Tourism
Don Belanger
City of Edmonton Communications Department
Greg Burns
Oxford Properties Inc.
Michael Chow
Bennett Jones LLP
Jana Clarke
Grant MacEwan College
Pat Church
Edmonton Transit System
Ed Hawkes
Morguard Investments
Martha Jamieson
DDB Canada
Jacqui Jergens
Edmonton Journal
Wade King
Edmonton Transit System
Kevin Kwan
Kwantum Wellness
Sonja Mihelcic
Edmonton Transit System
Fred Munn
ATB Financial
Kate Osle
CBC Communications - Edmonton
Pam Petrin
CBC Edmonton
Judy Stelck
TIX on the Square

The **Marketing Committee** is responsible for all communication efforts aimed at internal and external groups to the Downtown Business Association. This includes the promotion of downtown's image as the preferred place to live, work, shop and play to the target market(s) through advertising, events and promotions as well as keeping the downtown business community and committee members informed about DBA activities and initiatives.

The Committee consists of numerous professionals from a broad range of downtown businesses involved in advertising, communications, media and event planning. At the beginning of 2005, the Member Services Committee merged with the Marketing Committee. Together these members have delivered many successful projects including:

Communication Tools

- Marketing Plan and Budget
- Advertising campaign
- DBA website (www.edmontondowntown.com)
- Downtown Advantage Newsletter
- Guide to Downtown Edmonton
- 3 Minute Update

Events

- Committee Mixer
- Family Festival - An inaugural year on the Square with record numbers in attendance.
- Downtown Dining Week - Over 15 downtown restaurants participated in the 2005 promotion with an increase in attendance from 2004.
- Annual Spring Luncheon
- Canada Day promotions
- Stay and Play Downtown promotion during the Klondike Days Parade to promote the Downtown Dollar and encourage patrons to stay and shop downtown.
- Fall AGM and Luncheon
- Chili Cook-Off and supplementary River City Roundup involvement, including a coordinating role in 3 additional Rodeo Week events.
- Jingle On-Downtown's Annual Indoor Santa Claus Parade and Holiday Light Up - Featuring the biggest Christmas tree Churchill Square has ever seen, over 25,000 people in attendance at the parade and over 4,000 in attendance at the Light Up.

Community Involvement/Partnerships

- Supported ArtStart, an inner city art program.
- The Core Crew returned this summer patrolling the streets of downtown Edmonton providing tourist information, safety reporting, litter control and hospitality to businesses, residents and visitors. They also conducted Downtown Walking Tours.
- Committee members recruited businesses in the core to sponsor over 125 pots of flowers to line the streets of downtown Edmonton.
- Assisted in marketing the Arts District and took a coordinating role in the Arts District Open House.
- Dispersed \$35,000 in Downtown Festival and Event Grants in 2005. Grants were awarded to:
 - Arts District Open House
 - Cariwest Caribbean Arts Festival
 - City Market on 104th Street Linear Festival
 - Edmonton Dragon Boat Festival
 - Edmonton International Street Performers Festival
 - Edmonton Police Service Bicycle
 - Feats Festival of Dance
 - Festival During Klondike Days/A Taste of Edmonton
 - Litfest
 - New Year's Eve Downtown
 - Sprouts New Plays for Kids
 - Syncrude NeXt Generation Arts Festival
 - The Works Art & Design Festival
 - VisualEyez

Operations Committee

Members

Co-Chair, Lance Frazier
Frazier Realty Corp.

Co-Chair, David McCalla
Corbett Smith Bresee LLP

Kevin Barrie
Paladin Security Group Ltd.

Cnst. Kyle Deeg
Edmonton Police Service

Sgt. John Fiorilli
Edmonton Police Service

Braden Formanek
Imperial Parking

Erika Gray
City of Edmonton Bylaw Enforcement

Sgt. Dean Hilton
Edmonton Police Service

Cnst. Don Kightley
Edmonton Police Service

Dave Kinsman
City of Edmonton Parking & Bylaws

Cnst. Glen Kloose
Edmonton Police Service

Jim Macdonald
Expert Parking

Bohdan Maslo
City of Edmonton Public Works

Jorge Molina
Advanced Parking

Kelley Oakes
City of Edmonton Transportation & Streets

Walter Pigeon
City of Edmonton Corporate Security

Cnst. Darrin Rankin
Edmonton Police Service

Frank Robinson
Oxford Properties Inc.

Jeff Russell
Cushman Wakefield LePage

Glen Scheuerman
Morguard Investments

Sarah Sinclair
National Bank of Canada

Lorna Stewart
Edmonton Transit

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 Community Services

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, parking, safety, security, and operational matters in both public and private sectors.

The Operations Committee has been extremely active and has exceeded expectations in the completion of all the initiatives it set out for 2005. The following are just a few of the many successful projects put forth by the Operations Committee in the past year:

Highlights from 2005

- The DBA's Parking Committee merged with the Operations Committee at the beginning of the year.
- Partnered with the City of Edmonton's pilot project, Capital City Cleanup. Due to its success it will be expanded into other areas of the city for 2006.
- The Edmonton Police Service, the DBA and the Sutton Place Hotel hosted a Downtown Security Seminar in an effort to educate the downtown business community on safety and security issues in the core.
- Clean Slate Anti-Graffiti Project brought close to 160 volunteers out to help clean up and cover up graffiti tags in over 80 square blocks of the downtown core.
- The Operations Security Subcommittee hosted a meeting of all stakeholders in the DBA's Security Network to strengthen the network and ensure its sustainability.
- The Operations' Banner Subcommittee led a project, which when completed, will see the addition of 10 - 12 metal banner sculptures throughout Rice Howard Way as part of the Art and Design in Public Places program.



Urban Design Review Panel

Members
Chair, Allan Partridge
HIP Architects

Giuseppe Albi
G Albi Studios

Wes Candler
Citizen at Large

Dean Cooper
Stantec Consulting Inc.

Gene Dub
Dub Architects

Gino Ferri
Read Jones Christofferson

Barry French
1st Avenue Real Estate Inc.

Lydia Kawun
Market Response

Ian MacLeod
Qualico Developments

Don McKenzie
Citizen at Large

Peter Odinga
City of Edmonton Planning & Development

Jan Pierzchajlo
Rockliffe Pierzchajlo Architects

Virginia Stephen
Alberta Education Communications

Cnst. Patrick Tracy
Edmonton Police Service

In February 2006, City Council passed a Bylaw to amend the Downtown Area Redevelopment Plan. The proposed amendments will remove all reference to the Urban Design Review Panel. The Edmonton Design Committee has been established in its place with the purpose to improve the quality of urban design in Edmonton.

The Downtown Business Association would like to recognize and thank all those who served on the Urban Design Review Panel over the past two decades, and in particular, those members who served on the Panel in 2005.



December 31, 2005 | Financial Statements
Downtown Business Association of Edmonton



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, 2005, 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, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Edmonton, Canada
February 15, 2006

Downtown Business Association of Edmonton

BALANCE SHEET

As at December 31

	2005	2004
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	254,834	275,707
Accounts receivable	43,347	23,090
Prepaid expenses	9,232	10,980
	307,413	309,777
Capital assets <i>[note 3]</i>	6,457	7,930
	313,870	317,707

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	56,345	42,217
Provision for redemption of parking tokens <i>[note 4]</i>	106,599	102,541
Current portion of capital lease obligations <i>[note 5]</i>	266	719
Deferred contributions - restricted <i>[note 6]</i>	13,598	55,900
	176,808	201,377
Deferred contributions - capital <i>[note 7]</i>	1,626	2,172
Capital lease obligations <i>[note 5]</i>	-	266
	178,434	203,815

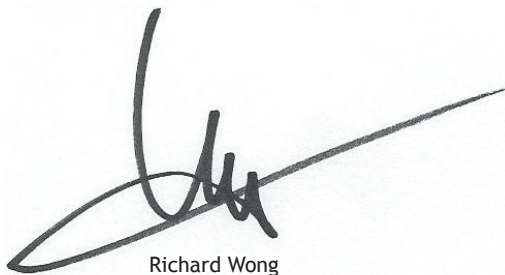
Commitments *[note 8]*

Net Assets

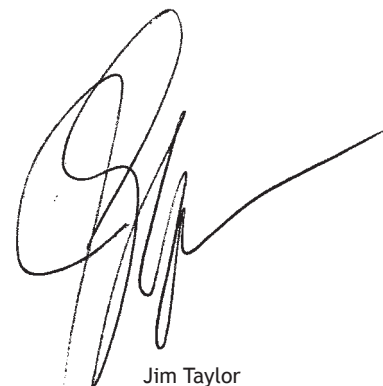
Invested in capital assets	4,564	4,773
Internally restricted <i>[note 9]</i>	110,872	89,119
Unrestricted	20,000	20,000
	135,436	113,892
	313,870	317,707

See accompanying notes

On behalf of the Board:



Richard Wong
Director



Jim Taylor
Director



Downtown Business Association of Edmonton STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	2005			2004	
	Invested in capital assets	Internally restricted	Unrestricted	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	4,773	89,119	20,000	113,892	90,562
Excess of revenue over expenditures	-	-	21,544	21,544	23,330
Transfer to internally restricted [note 9]	-	21,753	(21,753)	-	-
Capital asset additions	1,593	-	(1,593)	-	-
Amortization of capital assets	(3,067)	-	3,067	-	-
Repayment of capital lease obligations	719	-	(719)	-	-
Amortization of deferred contributions - capital [note 7]	546	-	(546)	-	-
Balance, end of year	4,564	110,872	20,000	135,436	113,892

See accompanying notes

Downtown Business Association of Edmonton

STATEMENT OF REVENUE AND EXPENDITURES

Year ended December 31

	2005	2004
	\$	\$
REVENUE		
Business revitalization zone levy <i>[note 6]</i>	684,369	685,469
Sponsorships <i>[note 10]</i>	213,656	237,415
Downtown Dollar token sales	82,600	92,175
Advertising and other	80,285	51,658
Interest	4,020	4,627
Amortization of deferred contributions - capital <i>[note 7]</i>	546	459
	1,065,476	1,071,803
EXPENDITURES		
Special events and programs	421,508	380,779
Public relations and marketing communications	167,890	151,017
Downtown Dollar program	82,806	90,922
Administration		
Wages and employee benefits	245,114	270,338
Rent and occupancy costs	57,589	67,460
Office	22,106	32,735
Professional fees	12,000	14,424
Telephone and utilities	11,233	11,124
Postage and courier	7,490	8,161
Amortization of capital assets	6,432	5,804
Meetings	3,673	3,398
Interest and bank charges	3,067	5,905
Insurance	2,233	3,424
Travel and training	791	1,646
Miscellaneous	-	1,336
	1,043,932	1,048,473
Excess of revenue over expenditures	21,544	23,330

See accompanying notes



Downtown Business Association of Edmonton STATEMENT OF CASH FLOWS

Year ended December 31

	2005 \$	2004 \$
OPERATING ACTIVITIES		
Received from business revitalization zone levy <i>[note 6]</i>	684,369	514,102
Received from federal government <i>[note 6]</i>	-	55,000
Received from sales, programs and special events	141,619	167,637
Amounts paid to vendors and employees	(846,588)	(821,536)
Interest received	2,040	3,731
Cash flows from (used in) operating activities	(18,560)	(81,066)
INVESTING AND FINANCING ACTIVITIES		
Purchase of capital assets	(1,594)	(2,472)
Repayment of capital leases	(719)	(5,962)
Cash flows from (used in) investing and financing activities	(2,313)	(8,434)
Increase (decrease) in cash during the year	(20,873)	(89,500)
Cash and cash equivalents, beginning of the year	275,707	365,207
Cash and cash equivalents, end of the year	254,834	275,707
Cash and cash equivalents comprised of:		
Cash	56,654	80,257
Term deposits <i>[note 2]</i>	198,180	195,450
	254,834	275,707

See accompanying notes

Downtown Business Association of Edmonton NOTES TO FINANCIAL STATEMENTS

December 31, 2005

1. NATURE OF THE ORGANIZATION

On November 26, 1985, the City of Edmonton Municipal Council passed a bylaw establishing the Edmonton Downtown Business Revitalization Zone and incorporating the Downtown Business Association of Edmonton under the Municipal Government Act.

The mandate of the Association is to “Promote Downtown Edmonton as the preferred place to work, shop, live and play.” 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:

<u>Maturity Date</u>	<u>Rate</u>	<u>Amount</u>
January 5, 2006	1.85%	\$65,450
September 27, 2006	2.25%	\$66,365
September 27, 2006	2.25%	\$66,365

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	5 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

December 31, 2005

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, provision for redemption of parking tokens, and capital lease obligations. Unless otherwise disclosed, the fair value of these instruments approximates their carrying value.

Measurement Uncertainty

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

3. CAPITAL ASSETS

	2005		2004	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Tokens	16,150	16,150	16,150	16,150
Office equipment and furniture	69,893	69,093	69,893	68,651
Computer equipment	20,445	18,939	18,852	17,741
Website	7,129	2,978	7,129	1,552
Leasehold improvements	37,884	37,884	37,884	37,884
	151,501	145,044	149,908	141,978
Net book value		6,457		7,930

At December 31, 2005, computer equipment includes assets under capital lease in the amount of \$1,992 (2004 - \$1,992) and related accumulated amortization in the amount of \$1,550 (2004 - \$1,107).

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

December 31, 2005

5. CAPITAL LEASE OBLIGATIONS

The future minimum lease payments under capital lease that have initial non-cancelable lease terms in excess of one year as at December 31, 2005 are as follows:

	\$
2006	276
Total future minimum lease payments	276
Less imputed interest	(10)
Present value of minimum lease payments	266
Less current portion	(266)
Long-term portion	-

The interest rate implicit in the capital lease, which expires in April 2006, is 18%.

6. 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:

	2005			
	Beginning balance \$	Funding received / receivable \$	Recognized to revenue \$	Ending balance \$
Business revitalization zone levy	-	684,369	(684,369)	-
Federal government grant				
- Business Action Program	55,000	-	(51,402)	3,598
Other grants	900	10,000	(900)	10,000
	55,900	694,369	(736,671)	13,598
	2004			
	Beginning balance \$	Funding received / receivable \$	Recognized to revenue \$	Ending balance \$
Business revitalization zone levy	171,367	514,102	(685,469)	-
Federal government grant				
- Business Action Program	16,881	55,000	(16,881)	55,000
Other grants	10,000	900	(10,000)	900
	198,248	570,002	(712,350)	55,900

The Business Action Program is sponsored by the National Crime Prevention Centre and represents the Centre's first of two phases of the Green Team Project. The Downtown Business Association will work in partnership with the Boyle Street Co-op and the Boyle Street Education Centre to pilot both phases of the project. The first \$50,000 for Phase 1 of the project was spent by December 31, 2004. A grant for \$55,000 for Phase 2 of the project was received in 2004 and as at December 31, 2005, \$51,402 (2004 - \$0) of expenditures have been incurred.



Downtown Business Association of Edmonton

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

7. DEFERRED CONTRIBUTIONS - CAPITAL

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

	2005	2004
	\$	\$
Balance, beginning of the year	2,172	1,881
Received	-	750
Less amounts amortized to revenue	(546)	(459)
Balance, end of the year	1,626	2,172

8. COMMITMENTS

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

	\$
2006	67,908
2007	6,232
2008	4,723
2009	1,200
2010	600

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.

9. 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, 2005, the Board of Directors approved the transfer of \$21,753 to internally restricted resources.

10. SPONSORSHIPS

Included in sponsorships are contributed materials, services and facilities of \$177,856 (2004 - \$204,465).

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

Downtown Business Association of Edmonton
Board of Directors



**Chair
Richard Wong**
Sutton Place Hotel



**Vice Chair
John Frederickson**
Oxford Properties Group



**Treasurer
Sheldon Jacobs**
EPMG LLP



**Secretary
Martha Jamieson**
BBB Canada



**Past Chair
Jim Macdonald**
Expert Parking



Dianne Allen
EPCOR



Ian Bradley
Colliers International



Linda Cook
Edmonton Public Library



Ed Fong
DeVine Wines & Spirits



Darrin Geddes
Standard Life Assurance Company



Terry Kostek
OUSA Radio



Lindy Lambeth
Choice Office Personnel



David McCalla
Corbett Smith Bessie LLP



Dr. Wayne Shillington
NorQuest College



Sarah Sinclair
National Bank of Canada



**Ex-Officio
Phillip Arendt**
City of Edmonton Planning & Development



**Ex-Officio
Councillor Jane Batty**
City of Edmonton
Ward Four Councillor



**Ex-Officio
Ian MacLeod**
Qualico Developments



**Executive Director
Jim Taylor**
Downtown Business Association

no photo
available
**Ex-Officio
Councillor Michael Phair**
City of Edmonton
Ward Four Councillor