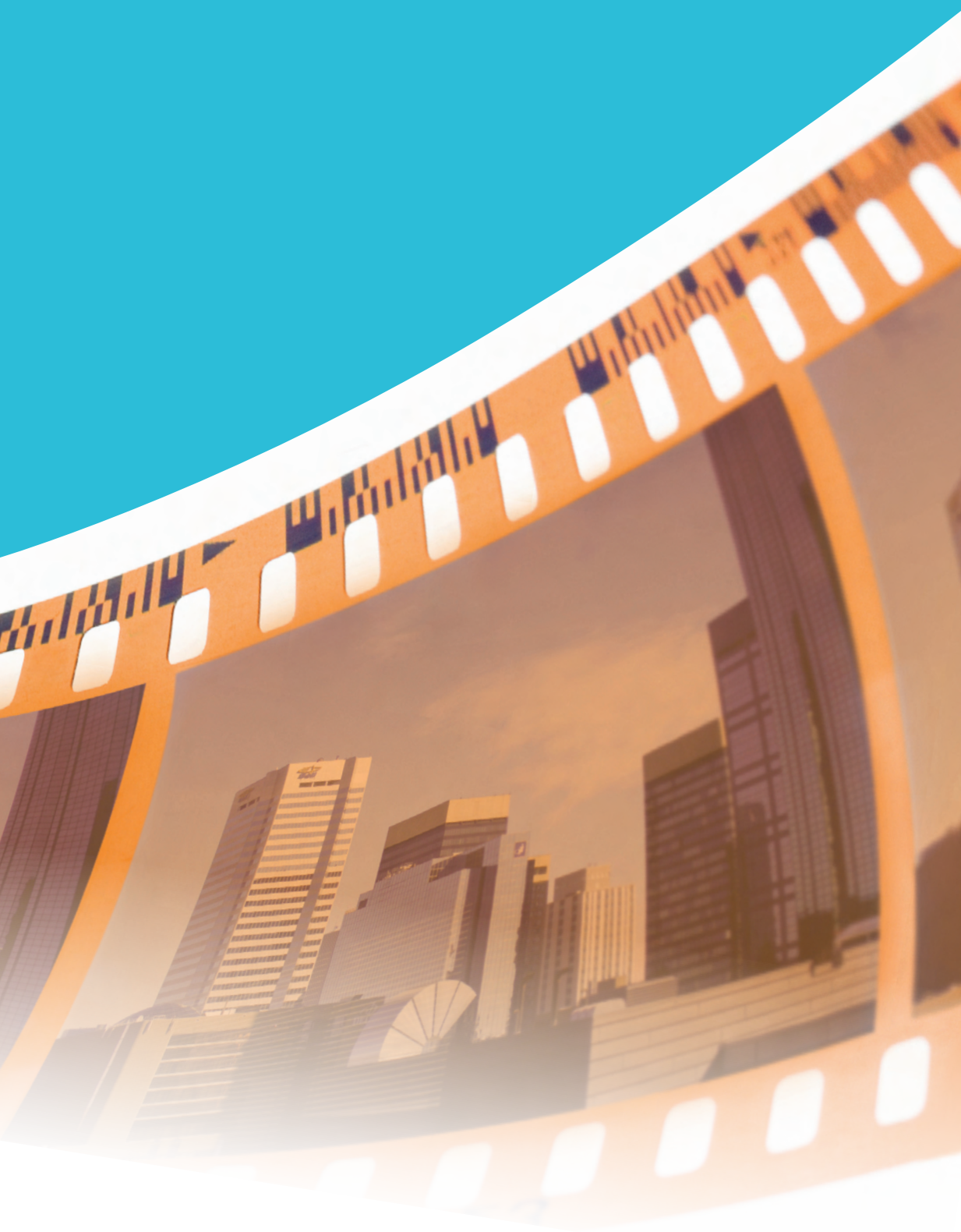


# The Stage Is Set

2007 Annual Report



downtown  
business  
association

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



## 2007 Association Staff

(left to right)

**Kathleen Ong**

*Marketing and Communications Manager*

**Jim Taylor**

*Executive Director*

**Mary Davies**

*Office Manager*

**Angela Policicchio**

*Communications Coordinator*

**Christine Watson**

*Information Coordinator*

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## Mission Statement

Through its leadership in advocacy and promotions, the Downtown Business Association will ensure that downtown Edmonton is 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;
- Communicate the booming nature of downtown while maintaining the historical esthetic through preservation and revitalization;
- 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

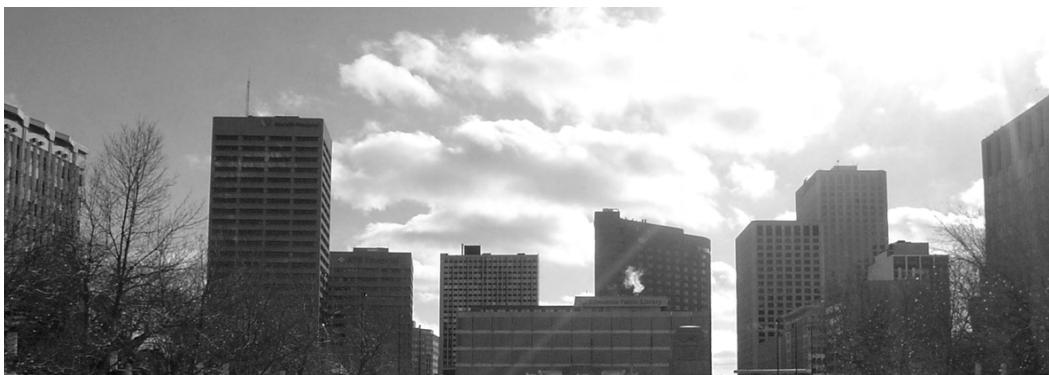
The Downtown Business Association of Edmonton Business Revitalization Zone (BRZ) was established by a City of Edmonton bylaw on November 26, 1985.

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 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  
John Frederickson



*One of the most exciting announcements for downtown in 2007 was made by Qualico, as Edmonton will see the first office tower built in 20 years...*

On behalf of the Board of Directors, our various standing committees, and the staff of the Downtown Business Association, I am pleased to present the 22<sup>nd</sup> Annual Report of the DBA. I would like to take this opportunity to thank Richard Wong for his dedicated service to the DBA, especially the last two years serving as Chair. Richard's continued dedication and work with the DBA is greatly appreciated.

Carrying on the momentum of an exciting 2006, the City of Edmonton and particularly the downtown enjoyed a banner 2007, starting with our own DBA offices receiving a façade improvement with matched funds from the City of Edmonton.

The "learning" aspect of downtown was particularly busy in 2007 with the following institutions making major commitments to downtown. The University of Alberta came downtown in a huge way by revitalizing the iconic Bay store on Jasper Avenue for a downtown campus known as Enterprise Square; this is just the beginning for the U of A. MacEwan College opened the Robbins Health Learning Centre to accommodate a nationally renowned nursing program complete with state-of-the-art technology. NorQuest College continues to expand and plan for major expansions in the near term. These are only three of the approximate thirty learning institutions downtown. Stay tuned.

We were given a new place to "play" with the much-anticipated opening of the Don Wheaton Family YMCA; this facility will serve residents and workers in the downtown for many years to come.

The many "cranes in the sky" are a telling sign of the huge demand for people to "live" downtown and there appears to be little sign of the demand and subsequent construction for apartments and condos abating any time soon.

One of the most exciting announcements for downtown in 2007 was made by Qualico, as Edmonton will see the first office tower built in 20 years, giving EPCOR and others a first class place to "work" in downtown Edmonton. This is really the exclamation point on a huge year for Edmonton.

Against this exciting backdrop, the DBA and our various committees have been hard at work over the last year and we have had many successes and continue to make progress in many areas.

The DBA has been actively involved in organizing events such as the Family Day Festival, Downtown Dining Week, Ride the Wave for Communities in Bloom, Chili Cook Off and the Jingle On Indoor Santa Claus Parade and Holiday Light Up. In addition to providing some fun activities and drawing thousands of people downtown, many of these events contributed to the \$9400 raised for our selected charity, the Zebra Child Protection Centre.

The DBA was a partner in the execution of Capital City Clean-Up, a program that encourages businesses to adopt-a-block and keep it clean throughout the summer. In furthering our efforts to keep downtown clean we once again hired the Core Crew to assist with litter control while also serving as tour guides and additional "eyes" in safety reporting.

The DBA continues to address downtown security issues by facilitating annual security summits in partnership with the Edmonton Police Service.

We also completed a study and subsequent report in support of establishing increased wireless Internet in the downtown, addressing current and future user demands.

These are only the highlights of another incredible year in downtown Edmonton; 2008 promises to be even better and I feel privileged to be the Chair of such a dedicated and dynamic association. On behalf of the Downtown Business Association we thank you for your continued support and welcome your input as we make 2008 an even more exciting year, perhaps a year in which we see more major announcements and continued growth.

Message from the Executive Director  
Jim Taylor

## Strong, positive organizations spring from strong, positive people

The Downtown Business Association has long been recognized as a strong, positive organization that has played an important role, both directly and indirectly, in the remarkable renaissance of our downtown over the past decade.

It starts at the top and our Association is blessed with a Board of Directors who consistently demonstrates a high degree of commitment, involvement and support in all aspects of our operations through their service on our various standing committees, sub committees and ad hoc committees. Our proactive succession planning ensures sustainability by maintaining a balanced mix of experienced Board Members and enthusiastic new players, all from businesses representing the diverse spectrum of our membership and partners.

These Board Members lend their wisdom and experience and open doors for our small, permanent staff of five which is a team made up of a dedicated, experienced internal administration staff coupled with bright, young, recent graduates who run our external Marketing and Communications functions. While each staff member has defined responsibilities, we conscientiously work hard at maintaining an “office family” atmosphere and our successes are team successes.

Our staff more than doubles each year when we hire our summer students from our post secondary institutions and, particularly, through our strong partnership with the University of Alberta. In many instances these students have continued to work with the Association on a part time or full time basis or as volunteers at any of our regular special marketing and promotions events. The flow through, over the years, of young, energetic students has created a network of “next gen” Edmontonians who know well, and support, the Downtown Business Association initiatives in our city.

While a dynamic Board and a loyal, hard working staff are essential to our success, we would certainly cease to exist without the huge number of volunteers who fill the ranks of our standing committees and ad hoc committees and participate in our many special events throughout the year. Again, it's a mix of committed volunteers who have been with us for years and excited new comers who volunteer to join our team because of a special interest in an event or program. Edmonton is known for its volunteer spirit and the Downtown Business Association can certainly attest to the power of that spirit.

By every measure 2007 was a strong, positive year for our Association; a success attributable directly to the strong, positive people who choose to be a part of the Downtown Business Association.



*Our Association is  
blessed with a Board of  
Directors who consistently  
demonstrates a high  
degree of commitment,  
involvement and  
support in all aspects of  
our operations...*



## The People That Are Shaping Downtown Executive and Finance Committees

### Executive Committee

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#### Members

Chair, John Frederickson  
*Colliers International*

Vice Chair, Martha Jamieson  
*DDB Canada*

Past Chair, Richard Wong  
*Sutton Place Hotel*

Treasurer, Brad Perkins  
*KPMG LLP*

Dr. Wayne Shillington  
*NorQuest College*

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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

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#### Members

Chair, Brad Perkins  
*KPMG LLP*

John Frederickson  
*Colliers International*

Martha Jamieson  
*DDB Canada*

Dr. Wayne Shillington  
*NorQuest College*

Richard Wong  
*Sutton Place Hotel*

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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

## The People That Are Shaping Downtown Business Recruitment Committee

### Members

Chair, Darrin Geddes  
*Standard Life Realty Advisors*

Ian Bradley  
*Colliers International*

Richard Knibbs  
*GWL Realty Advisors*

Brad Smith  
*The Canapen Group*

Jasna Vuksanovic  
*Edmonton Economic Development Corporation*

Nathanial Bayduza  
*Bentall Real Estate Services*

Kelley Janel  
*Oxford Properties Inc.*

Kent McMullin  
*Edmonton Economic Development Corporation*

Cory 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 business development downtown...*

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.

### Highlights:

Throughout the summer of 2007, the Committee's University of Alberta Canadian Institute of Retail and Service (CIRAS) student completed an in-depth research and analysis project about wireless Internet in downtown Edmonton. This research project explored the accessibility and feasibility of providing wireless Internet access to the public in an expanded network area. A map of wireless hotspots was created and will continually be maintained and enhanced.

The BRC will continue to partner with the University of Alberta to hire students for future projects in the downtown.





## The People That Are Shaping Downtown Marketing Committee

*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.*

### Members

Co-Chair, Dianne Allen  
*EPCOR*

Umar Akbar  
*Art Gallery of Alberta*

Ryan Barkway  
*University of Alberta School of Business*

Janice Brown  
*ATB Financial*

Pat Church  
*Edmonton Transit System*

Don Doucet  
*ATB Financial*

Pam Petrin  
*CBC Edmonton*

Denise Young  
*Edmonton Transit System*

Co-Chair, Martha Jamieson  
*DDB Canada*

Mary Barendrecht-Kohn  
*Edmonton Tourism*

Shelley Britton  
*CBC Communications Edmonton*

Greg Burns  
*Oxford Properties Inc.*

Jana Clarke  
*MacEwan College*

Shanlyn Finley  
*City of Edmonton Communications*

Linda Poignant  
*Edmonton Journal*

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

## The People That Are Shaping Downtown Marketing Committee (Continued)

### Events

- Downtown Business Association Committee Mixer.
- *Family Day Festival* – The annual nature of the festival has built recognition; the 2007 year brought over 10,000 people into the downtown core.
- *Downtown Dining Week* – 16 downtown restaurants participated in the 2007 promotion. The Downtown Dining Diva contest attracted a record number of entries.
- *Annual Spring Luncheon* – The DBA hosted “Downtown Takes Centre Ice” with the Edmonton Oilers in May 2007.
- Continued promotion of the Downtown Dollar program.
- *Fall Annual General Meeting and Luncheon* – In Fall 2007, the DBA celebrated the over 30 learning institutions in the downtown.
- *17th Annual Chili Cook-Off* – This event successfully raised a record-breaking \$5300 for the Zebra Child Protection Centre.
- *20th Annual Jingle On Indoor Santa Claus Parade* – Downtown’s highly anticipated family-fun event kicked off the holiday season with thousands in attendance.
- *2007 Christmas on the Square Holiday Light Up* – The Holiday Light Up brought our biggest Christmas tree yet to Churchill Square. The DBA partnered with the Edmonton Chamber of Commerce and City of Edmonton for this one night holiday extravaganza.

### Community Involvement and Partnerships

- Support our chosen charity, the Zebra Child Protection Centre, which lends strength to victims of child abuse in a child-friendly environment.
- 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 encouraged downtown businesses to work together to help to beautify downtown parks and streets.
- Dispersed \$35,000 in Downtown Festival Grants in 2007.
- Festival grants were awarded to:

*A Taste of Edmonton*

*Edmonton International Film Festival*

*Edmonton International Street Performers Festival*

*Edmonton International Jazz Festival*

*Global Visions Film Festival*

*Sprouts New Play Festival for Kids*

*The Works Art & Design Festival*

*Dreamspeakers Film Festival*

*Edmonton International Literary Festival*

*Edmonton Poetry Festival*

*Feats Festival of Dance*

*New Year’s Eve Downtown*

*Syncrude NeXt Generation Arts Festival*

*Visualeyez – Festival of Performance Art*





## The People That Are Shaping Downtown Operations Committee

*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.*

### Members

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

Bob Anderson  
*City of Edmonton Corporate Security*

Sgt. John Fiorilli  
*Edmonton Police Service*

Ron Gabruck  
*ETS Transit Security*

Dave Kinsman  
*City of Edmonton Parking & Bylaws*

Paul Mennier  
*Citytv Edmonton*

Cnst. Brooks Nyszczuk  
*Edmonton Police Service*

Gord Rajewski  
*A.D. Williams Engineering Inc.*

Glen Scheuerman  
*Morguard Investments*

Cnst. Serge Soucy  
*Edmonton Police Service*

Bob Watson  
*City of Edmonton, Parkland Services, AM&PW*

Co-Chair, David McCalla  
*Corbett Smith LLP*

Don Belanger  
*City of Edmonton Waste Management*

Braden Formanek  
*Imperial Parking*

Sandy Gosselin  
*EPCOR*

Bohdan Maslo  
*City of Edmonton Public Works*

Dennis Nowicki  
*City of Edmonton – Edmonton Transit System*

John Potter  
*City of Edmonton Transportation*

Frank Robinson  
*Oxford Properties Inc.*

Elaine Smith  
*GWL Realty Advisors*

Brian Van Sickle  
*City of Edmonton Planning & Development*

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 People That Are Shaping Downtown Operations Committee (Continued)



The Operations Committee is extremely active and has exceeded expectations in the completion of its initiatives for 2007. 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 Sub Committee continued their project to place new metal banner sculptures in the downtown. The Committee is close to completing the installation of new sculptures for Churchill Square.
- 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.
- The Operations Committee held two Security Summits in spring and fall 2007 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. Distributed hundreds of portable cigarette butt receptacles throughout the downtown to raise awareness about the negative effects of cigarette litter.
- Organized Clean Slate, a graffiti clean-up project, in September 2007 to educate and assist downtown businesses with graffiti prevention and clean-up.

## 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, 2007, 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Canada  
February 20, 2008

*Ernst & Young LLP*  
Chartered Accountants

Downtown Business Association of Edmonton  
Balance Sheet

As at December 31

	2007 \$	2006 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	335,219	262,712
Accounts receivable	23,537	43,448
Prepaid expenses and deposits	9,970	14,492
	368,726	320,652
Capital assets, net <i>[note 4]</i>	41,836	12,356
	410,562	333,008
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	44,470	36,102
Provision for redemption of parking tokens <i>[note 5]</i>	122,932	112,710
Deferred rent liability <i>[note 2]</i>	6,176	-
Deferred contributions - restricted <i>[note 6]</i>	10,996	18,884
	184,574	167,696
Deferred contributions - capital <i>[note 7]</i>	13,250	2,372
	197,824	170,068
<b>Commitments</b> <i>[note 8]</i>		
<b>Net Assets</b>		
Invested in capital assets	28,585	9,983
Internally restricted <i>[note 9]</i>	164,153	132,957
Unrestricted	20,000	20,000
	212,738	162,940
	410,562	333,008

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

**2007**

	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total \$
<b>Balance, beginning of year</b>	9,983	132,957	20,000	162,940
Excess of revenue over expenditures	-	-	49,798	49,798
Amortization of capital assets	(8,841)	-	8,841	-
Amortization of deferred contributions - capital <i>[note 7]</i>	1,643	-	(1,643)	-
Transfer of internally restricted funds <i>[note 9]</i>	24,300	(38,898)	14,598	-
Transfer to internally restricted <i>[note 9]</i>	-	70,094	(70,094)	-
Transfer of unrestricted funds to capital assets	1,500	-	(1,500)	-
<b>Balance, end of year</b>	28,585	164,153	20,000	212,738

**2006**

	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total \$
<b>Balance, beginning of year</b>	4,564	110,872	20,000	135,436
Excess of revenue over expenditures	-	-	27,504	27,504
Amortization of capital assets	(4,895)	-	4,895	-
Amortization of deferred contributions - capital <i>[note 7]</i>	2,304	-	(2,304)	-
Transfer of internally restricted funds <i>[note 9]</i>	11,420	(44,780)	33,360	-
Transfer to internally restricted <i>[note 9]</i>	-	66,865	(66,865)	-
Transfer of unrestricted funds to capital assets	(3,676)	-	(3,676)	-
Repayment of capital lease obligations	266	-	(266)	-
<b>Balance, end of year</b>	9,983	132,957	20,000	162,940

See accompanying notes

Downtown Business Association of Edmonton  
Statement of Revenue and Expenditures

Year ended December 31

	2007 \$	2006 \$
<b>REVENUE</b>		
Business revitalization zone levy <i>[note 6]</i>	779,348	701,149
Sponsorships <i>[note 6]</i>	435,961	260,031
Downtown Dollar token sales	94,175	88,075
Advertising and other	17,462	28,720
Interest	12,345	8,726
Amortization of deferred contributions - capital <i>[note 7]</i>	1,643	2,304
	1,340,934	1,089,005
<b>EXPENDITURES</b>		
Special events and programs	585,917	391,384
Public relations and marketing communications	189,960	201,273
Downtown Dollar program	90,763	88,456
<b>Administration</b>		
Wages and employee benefits	257,356	257,482
Rent and occupancy costs	90,906	47,211
Office	22,316	23,286
Professional fees	16,495	14,038
Amortization of capital assets	8,841	4,895
Telephone and utilities	7,797	11,139
Meetings	6,287	6,097
Postage and courier	5,594	5,041
Insurance	3,313	3,594
Interest and bank charges	3,253	2,723
Travel and training	2,338	956
Loss on capital asset disposal	-	3,676
Miscellaneous	-	250
	1,291,136	1,061,501
<b>Excess of revenue over expenditures</b>	49,798	27,504

See accompanying notes

Downtown Business Association of Edmonton  
Statement of Cash Flows

Year ended December 31

	2007 \$	2006 \$
<b>OPERATING ACTIVITIES</b>		
Received from Business Revitalization Zone Levy [note 6]	779,348	701,149
Received from sales, programs and special events	178,448	162,390
Amounts paid to vendors and employees	(871,555)	(851,587)
Interest received	12,066	7,612
<b>Cash flows from operating activities</b>	<b>98,307</b>	<b>19,564</b>
<b>INVESTING AND FINANCING ACTIVITIES</b>		
Purchase of capital assets	(38,321)	(11,420)
Contributions received for purchase of capital assets	12,521	-
Repayment of capital leases	-	(266)
<b>Cash flows from investing and financing activities</b>	<b>(25,800)</b>	<b>(11,686)</b>
<b>Increase in cash and cash equivalents during the year</b>	<b>72,507</b>	<b>7,878</b>
Cash and cash equivalents, beginning of year	262,712	254,834
<b>Cash and cash equivalents, end of the year</b>	<b>335,219</b>	<b>262,712</b>
<b>Cash and cash equivalents, comprised of:</b>		
Cash	132,089	61,546
Term deposits [note 2]	203,130	201,166
	<b>335,219</b>	<b>262,712</b>

See accompanying notes

## Downtown Business Association of Edmonton

### Notes to Financial Statements

December 31, 2007

#### 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 Canadian generally accepted accounting principles and reflect the accounting policies summarized below.

##### Cash and cash equivalents

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

Maturity Date	Rate	Amount
January 5, 2008	3.20%	\$67,414
September 27, 2008	3.50%	\$67,858
September 27, 2008	3.50%	\$67,858

These cashable term deposits can be redeemed, without penalty, prior to the stated maturity date and therefore have been included as cash equivalents.

##### 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

##### Deferred rent liability

The deferred rent liability is the result of lease inducements received from the Association's landlord in the form of reduced rental payment in 2007 and 2008. These inducements are deferred and amortized to income on a straight line basis over the term of the lease.

## Notes to Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

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. NEW ACCOUNTING POLICIES

#### Financial Instruments

Effective January 1, 2007, the Association adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") under CICA Handbook Section 3855 Financial Instruments – Recognition and Measurement and Section 3861 Financial Instruments – Disclosure and Presentation.

3. **NEW ACCOUNTING POLICIES (CONTINUED)**

Under Section 3855, all financial instruments are classified into one of these five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value, except for held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification.

As a result of the adoption of Section 3855, the Association has classified its cash and cash equivalents as held for trading. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities. The Association has evaluated that the adoption of these new standards will have no material impact to the financial statements, due to the relatively short periods to maturity of the instruments.

4. **CAPITAL ASSETS**

	2007		2006	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Tokens	16,150	16,150	16,150	16,150
Office equipment and furniture	81,614	71,479	69,893	69,322
Computer equipment	26,865	24,013	26,865	21,342
Website	8,050	4,471	8,050	1,788
Leasehold improvements	64,484	39,214	37,884	37,884
	197,163	155,327	158,842	146,486
<b>Net book value</b>		41,836		12,356

5. **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.

## Notes to Financial Statements

## 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:

## 2007

	Beginning balance \$	Funding received / receivable \$	Recognized to revenue \$	Ending balance \$
Business revitalization zone levy	-	779,348	(779,348)	-
Core Crew Project	17,775	30,000	(37,775)	10,000
Other	1,109	-	(113)	996
	18,884	809,348	(817,236)	10,996

## 2006

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

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.

The Association completed its work in 2006 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.

Downtown Business Association of Edmonton  
Notes to Financial Statements

7. **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:

	2007 \$	2006 \$
<b>Balance, beginning of the year</b>	2,372	1,626
Contributions received	12,521	3,050
Less amounts amortized to revenue	(1,643)	(2,304)
<b>Balance, end of the year</b>	13,250	2,372

8. **COMMITMENTS**

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

	\$
2008	88,923
2009	97,092
2010	93,649
2011	92,938

The annual commitments 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.

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, 2007, \$38,898 was approved by the Board of Directors to be used for specific initiatives. For the year ended December 31, 2007, the Board of Directors also approved the transfer of \$70,094 to internally restricted resources.

10. **SPONSORSHIPS**

Included in sponsorships are contributed materials, services and facilities of \$380,436 (2006 - \$226,845).

Downtown Business Association of Edmonton

## 2007 Board of Directors

The Board of Directors plays a pivotal role in directing the areas of the Downtown Business Association's operations, including the Planning, Marketing and Events, Economic Development and Finance, Management, and Member Service functions. The members on the Board of Directors are appointed by City Council and represent the diverse needs and interests of the Association's constitution and downtown Edmonton. The Board of Directors meet regularly to review Committee actions and approve the priorities for future Association endeavours, as well as approve and implement the strategies and tactics developed through the Committees' implementation of the Strategic Plan.



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Chair  
**John Frederickson**  
*Colliers International*



Vice Chair  
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*City of Edmonton*



Ex-Officio  
**Councillor Ben Henderson**  
*City of Edmonton*



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