



Financial Statements

Yonge-Dundas Square

December 31, 2008

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Auditors' Report

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To the Board of Directors of
Yonge-Dundas Square

We have audited the balance sheet of the **Yonge-Dundas Square** as at December 31, 2008 and the statements of revenue and expenditure, and cash flows for the year then ended. These financial statements are the responsibility of the **Yonge-Dundas Square's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the **Yonge-Dundas Square** as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
February 21, 2009



Chartered Accountants
Licensed Public Accountants

Yonge-Dundas Square

Balance Sheet

December 31

2008

2007

Assets

Current

Cash and short term investments	\$ 132,353	\$ 93,145
Receivables		
- City of Toronto (Note 3)	-	38,303
- Other (Note 5)	105,771	21,699
Prepays	<u>4,880</u>	<u>16,488</u>
	243,004	169,635

Long term

Receivable - City of Toronto (Note 4)	<u>24,844</u>	<u>12,303</u>
	\$ <u>267,848</u>	\$ <u>181,938</u>

Liabilities

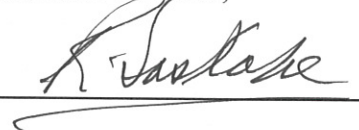
Current

Payables and accruals		
- City of Toronto (Note 3)	\$ 11,733	\$ 1,750
- Other (Note 6)	<u>231,271</u>	<u>167,885</u>
	243,004	169,635

Long term

Employee benefits payable (Note 4)	<u>24,844</u>	<u>12,303</u>
	\$ <u>267,848</u>	\$ <u>181,938</u>

On behalf of the Board


Director


Director

See accompanying notes to the financial statements.

Yonge-Dundas Square

Statement of Revenue and Expenditure

Year Ended December 31

2008

2007

Revenue

City of Toronto	\$ 583,679	\$ 583,335
City of Toronto - funding for employee benefits (Note 4)	12,541	12,303
Corporate sponsorship and contributions	102,300	102,000
Permit revenue (Page 9)	339,514	303,966
Event support revenue (Page 9)	330,769	246,464
Food and beverages	5,757	11,277
Preferred suppliers	4,197	11,090
Rental income	196,230	132,600
Signage	81,219	80,871
Other revenue	6,478	9,998
	<u>1,662,684</u>	<u>1,493,904</u>

Expenditures

Event support	355,693	258,734
Marketing	193,938	184,678
Payroll	351,600	305,629
Maintenance	393,616	422,825
Security	145,208	135,654
Administration	210,896	138,552
	<u>1,650,951</u>	<u>1,446,072</u>

Operating profit payable to the City of Toronto	\$ <u>11,733</u>	\$ <u>47,832</u>
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See accompanying notes to the financial statements.

Yonge-Dundas Square

Statement of Cash Flows

Year Ended December 31

2008

2007

Increase (decrease) in cash and short term investments

Operating activities		
Operating profit payable to the City of Toronto	\$ 11,733	\$ 47,832
Amortization		-
Increase (decrease) resulting from changes in:		
Prepays	11,608	(11,569)
Receivable from / payable to City of Toronto	36,553	(177,904)
Receivables - other	(84,072)	39,150
Payable and accruals - other	<u>63,386</u>	<u>(7,548)</u>
Net increase (decrease) in cash and short term investments	39,208	(110,039)
Cash and short term investments, beginning of year	<u>93,145</u>	<u>203,184</u>
Cash and short term investments, end of year	\$ <u>132,353</u>	\$ <u>93,145</u>

See accompanying notes to the financial statements.

Yonge-Dundas Square

Notes to the Financial Statements

December 31, 2008

1. Nature of Operations

The Yonge-Dundas Square is an event venue for the general public. The City of Toronto appointed a volunteer Board of Management to operate the Square. Yonge-Dundas Square is a city owned property. It was established in December of 2001 and its purpose is to attract additional retail and entertainment development to the Yonge-Dundas area. The Square commenced operations in January 1, 2003. The Organization is to pay any net revenue to the City of Toronto.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the accounting policies summarized below:

Cash and short term investments

Short term investments include Guaranteed Investment Certificates held for a period of one year or less. Market value is considered equivalent to cost based on the short term holding period.

Revenue recognition

Revenue is recognized on the accrual basis.

Use of estimates

In preparing the organization's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Capital assets

Capital assets for which funding has been received are recorded as expenses of the period. The related grant is recorded as revenue.

Employee related costs

The Yonge-Dundas Square has adopted the following policy with respect to employee benefit plans; the costs of other employee benefits are determined by an independent actuary using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation and expected health care costs.

Yonge-Dundas Square

Notes to the Financial Statements

December 31, 2008

3. (Payable to) receivable from the City of Toronto

The net amount (payable to) receivable from the City of Toronto consists of the following:

	<u>2008</u>	<u>2007</u>
Trade receivable from City of Toronto	\$ -	\$ -
Prior year's operating deficiency	-	13,885
Current year's operating profit	(11,733)	(47,832)
Capital expenses reimbursable by City of Toronto	<u>-</u>	<u>72,250</u>
(Payable to) receivable from the City of Toronto	\$ <u>(11,733)</u>	\$ <u>38,303</u>

4. Employee benefits payable

Yonge-Dundas Square participates in a benefit plan provided by the City of Toronto. It provides administrative employees with long term disability benefits and the continuation of health, dental and life insurance benefits to disabled employees.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent valuation was completed during 2007 and has been extrapolated to provide the accrued benefit obligation as at December 31, 2008.

A long term receivable from the City of Toronto has resulted from the recording of administration staff benefit costs such as long term disability for administrative employees. Funding for these costs continues to be provided by the City as benefit costs are paid and the City continues to be responsible for the benefit liabilities of administration staff that may be incurred by the Square.

Information about the Square's employee benefits is as follows:

	<u>2008</u>	<u>2007</u>
Long term disability plan	\$ 25,207	\$ 12,695
Unamortized actuarial loss	<u>(363)</u>	<u>(392)</u>
	\$ <u>24,844</u>	\$ <u>12,303</u>

Yonge-Dundas Square

Notes to the Financial Statements

December 31, 2008

4. Employee benefits payable (continued)

The continuity of the accrued benefit obligation during 2008 is as follows:

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 12,303	\$ -
Current service cost	12,696	12,414
Interest cost	1,150	580
Amortization of actuarial gain	29	39
Expected benefits paid	<u>(1,334)</u>	<u>(730)</u>
	<u>\$ 24,844</u>	<u>\$ 12,303</u>

A long term receivable of \$24,844 (2007 - \$12,303) has resulted from recording sick leave and post retirement benefits for management staff. Funding for these costs are provided by the City as benefit costs are paid and the City is responsible for the City approved management staff benefit liabilities that may be incurred by the Square.

The Square also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of management and union employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employee based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$20,969 in 2008 (2007 - \$12,700).

5. Other receivables

	<u>2008</u>	<u>2007</u>
Permit and event support receivables	\$ 99,500	\$ 7,363
Artisan/Vendor Market	-	341
GST receivable	4,016	11,093
Other	<u>2,255</u>	<u>2,902</u>
	<u>\$ 105,771</u>	<u>\$ 21,699</u>

6. Other payables

	<u>2008</u>	<u>2007</u>
Client deposits	\$ 29,530	\$ 27,137
Accruals	17,290	6,878
Trade	<u>184,451</u>	<u>133,870</u>
	<u>\$ 231,271</u>	<u>\$ 167,885</u>

Yonge-Dundas Square

Notes to the Financial Statements

December 31, 2008

7. Financial instruments

Fair value of financial instruments

The estimated fair values of cash, investments, accounts receivable, accounts payable and amounts due to/from City of Toronto approximate carrying value due to the relatively short term nature of the instruments.

8. Commitments

Yonge-Dundas Square has entered into an agreement to lease office premises until March 31, 2013. The base rent under this agreement is as follows:

2009	\$ 22,817
2010	22,817
2011	23,678
2012	23,678
2013	23,678

Yonge-Dundas Square

Schedule of Permit Revenue and Event Support Revenue

Year Ended December 31

2008

2007

Permit revenue

Event permits	\$ 237,168	\$ 199,737
Artisan market permits	<u>102,346</u>	<u>104,229</u>
	\$ <u>339,514</u>	\$ <u>303,966</u>

Event support revenue

Electrician	\$ 24,601	\$ 10,456
Security	51,336	51,102
AV technician	26,069	37,454
Custodial	30,238	23,520
Sound	42,353	34,927
Logistic	137,292	71,418
Utilities	<u>18,880</u>	<u>17,587</u>
	\$ <u>330,769</u>	\$ <u>246,464</u>