



Financial Statements

**Yonge-Dundas Square**

December 31, 2009

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## Auditors' Report

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To the Board of Directors of  
**Yonge-Dundas Square**

We have audited the statement of financial position of the **Yonge-Dundas Square** as at December 31, 2009 and the statements of operations, net assets 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, 2009 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 25, 2010

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

## Yonge-Dundas Square Statement of Financial Position

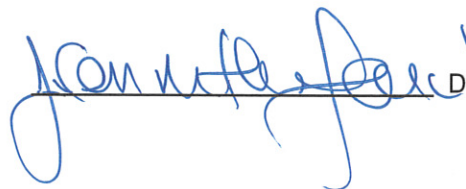
December 31	2009	2008
<b>Financial assets</b>		
Cash and short term investments	\$ 36,465	\$ 132,353
Receivables		
- City of Toronto (Note 3)	24,327	-
- Other (Note 7)	60,122	105,771
Receivable - City of Toronto (Note 4)	<u>24,556</u>	<u>24,844</u>
	<u>145,470</u>	<u>262,968</u>
<b>Liabilities</b>		
Payables and accruals		
- City of Toronto (Note 3)	-	11,733
- Other (Note 8)	125,644	231,271
Employee benefits payable (Note 4)	<u>24,556</u>	<u>24,844</u>
	<u>150,200</u>	<u>267,848</u>
<b>Net financial assets (liabilities)</b>	<b>(4,730)</b>	<b>(4,880)</b>
<b>Non-financial assets</b>		
Prepays	4,730	4,880
Tangible capital assets (Note 5)	<u>3,902</u>	<u>-</u>
Accumulated surplus	<u>\$ 3,902</u>	<u>\$ -</u>

Commitments (Note 10)

On behalf of the Board



Director



Director

See accompanying notes to the financial statements.

## Yonge-Dundas Square Statement of Operations

Year Ended December 31

2009

2008

### Revenue

City of Toronto	\$ 572,362	\$ 583,679
City of Toronto - employee benefits (Note 4)	(288)	12,541
Corporate sponsorship and contributions	69,400	102,300
Permit revenue (Page 11)	346,252	339,514
Event support revenue (Page 11)	434,461	330,769
Food and beverages	4,745	5,757
Preferred suppliers	13,294	4,197
Rental income	255,551	196,230
Signage	96,598	81,219
Other revenue	2,740	6,478
	<u>1,795,115</u>	<u>1,662,684</u>

### Expenditures

Event support	450,184	355,693
Marketing	185,671	193,938
Payroll	360,930	351,600
Maintenance	457,181	393,616
Security	149,085	145,208
Administration	182,306	210,896
Amortization	1,115	-
	<u>1,786,472</u>	<u>1,650,951</u>

Net revenue	8,643	11,733
Net revenue payable to the City of Toronto	<u>(4,741)</u>	<u>(11,733)</u>
Annual surplus	3,902	-
Opening accumulated surplus	<u>-</u>	<u>-</u>
Ending accumulated surplus	\$ <u>3,902</u>	\$ <u>-</u>

See accompanying notes to the financial statements.

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## Yonge-Dundas Square Statement of Net Assets

Year Ended December 31	2009	2008
Annual surplus	\$ 3,902	\$ -
Acquisition of tangible capital assets	(5,017)	-
Amortization of tangible capital assets	1,115	-
Use of prepaid expenses	<u>150</u>	<u>11,608</u>
Change in net financial assets	150	11,608
Net financial assets (liabilities), beginning of year	<u>(4,880)</u>	<u>(16,488)</u>
Net financial assets (liabilities), end of year	\$ <u>(4,730)</u>	\$ <u>(4,880)</u>

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See accompanying notes to the financial statements.

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## Yonge-Dundas Square Statement of Cash Flows

Year Ended December 31

2009

2008

### Cash flows from operating transactions

Annual surplus	\$ 3,902	\$ -
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### Non-cash charges to operations

Amortization	1,115	-
Prepays	150	11,608
Receivable from/payable to the City of Toronto	(36,060)	48,286
Receivables – other	45,649	(84,072)
Payables and accruals	<u>(105,627)</u>	<u>63,386</u>
Cash provided (used) by operating transactions	<u>(90,871)</u>	<u>39,208</u>

### Capital transactions

Purchase of tangible capital assets	<u>(5,017)</u>	-
Cash used in capital transactions	<u>(5,017)</u>	-

Net (decrease) increase in cash	(95,888)	39,208
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Cash, beginning of year	<u>132,353</u>	<u>93,145</u>
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Cash, end of year	<u>\$ 36,465</u>	<u>\$ 132,353</u>
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See accompanying notes to the financial statements.



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# Yonge-Dundas Square

## Notes to the Financial Statements

December 31, 2009

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### 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.

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### 2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

#### 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

Government grants are recognized when approved to the extent the related expenditures have been incurred and collection can be reasonable assured.

Other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection

#### 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.

#### Tangible capital assets

Purchased capital assets are recorded at cost and contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

Computer equipment - 3 years straight-line  
Furniture - 5 years straight-line



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## Yonge-Dundas Square

### Notes to the Financial Statements

December 31, 2009

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#### 2. Summary of significant accounting policies (continued)

##### 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.

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#### 3. Receivable from (payable to) the City of Toronto

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

	<u>2009</u>	<u>2008</u>
Trade receivable from City of Toronto	\$ 47,408	\$ -
Trade payable to City of Toronto	(6,607)	-
Prior year's net revenue	(11,733)	-
Current year's net revenue payable to the City of Toronto	<u>(4,741)</u>	<u>(11,733)</u>
Receivable from (payable to) the City of Toronto	\$ <u>24,327</u>	\$ <u>(11,733)</u>

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## Yonge-Dundas Square

### Notes to the Financial Statements

December 31, 2009

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#### 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 2008 and has been extrapolated to provide the accrued benefit obligation as at December 31, 2009.

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>2009</u>	<u>2008</u>
Long term disability plan	\$ -	\$ 25,207
Unamortized actuarial (gain) loss	<u>24,556</u>	<u>(363)</u>
	<u>\$ 24,556</u>	<u>\$ 24,844</u>

The continuity of the accrued benefit obligation during 2009 is as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 24,844	\$ 12,303
Current service cost	-	12,696
Interest cost	1,337	1,150
Amortization of actuarial gain	(1,625)	29
Expected benefits paid	<u>-</u>	<u>(1,334)</u>
	<u>\$ 24,556</u>	<u>\$ 24,844</u>

## Yonge-Dundas Square

### Notes to the Financial Statements

December 31, 2009

#### 4. Employee benefits payable (continued)

Amounts in 2009 relating to employee benefits totalling \$(288) (2008 - \$12,541) are included in administrative employee benefit expenses on the Statement of Operations and include the following components:

	<u>2009</u>	<u>2008</u>
Current service cost	\$ -	\$ 12,696
Interest cost	(1,625)	1,150
Amortization of actuarial gain	1,337	29
Expected benefits paid	<u>-</u>	<u>(1,334)</u>
Total expenditures (recovery) related to post-retirement and post-employment benefits	<u>\$ (288)</u>	<u>\$ 12,541</u>

A long term receivable of \$24,556 (2008 - \$24,844) 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 \$19,853 in 2009 (2008 - \$20,969).

#### 5. Tangible capital assets

	<u>Computers</u>	<u>Furniture</u>	<u>Total 2009</u>	<u>Total 2008</u>
<b>Cost</b>				
Balance, beginning of year	\$ -	\$ 5,860	\$ 5,860	\$ 5,860
Add: Additions during the year	5,017	-	5,017	-
Less: Disposals during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,107</u>	<u>5,860</u>	<u>10,877</u>	<u>5,860</u>
<b>Accumulated amortization</b>				
Balance, beginning of year	\$ -	\$ (5,860)	(5,860)	(5,860)
Add: Amortization during the year	<u>(1,115)</u>	<u>-</u>	<u>(1,115)</u>	<u>-</u>
Balance, end of year	<u>(1,115)</u>	<u>-</u>	<u>6,975</u>	<u>(5,860)</u>
			<u>\$ 3,902</u>	<u>\$ -</u>

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## Yonge-Dundas Square

### Notes to the Financial Statements

December 31, 2009

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<b>7. Other receivables</b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Permit and event support receivables	\$ 60,122	\$ 99,500
Artisan/Vendor Market		-
GST receivable	-	4,016
Other	-	<u>2,255</u>
	<b><u>\$ 60,122</u></b>	<b><u>\$ 105,771</u></b>

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<b>8. Other payables</b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Client deposits	\$ 44,573	\$ 29,530
Accruals	10,780	17,290
GST payables	842	
Trade	<u>69,449</u>	<u>184,451</u>
	<b><u>\$ 125,644</u></b>	<b><u>\$ 231,271</u></b>

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#### **9. 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.

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#### **10. 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:

2011	23,678
2012	23,678
2013	23,678

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## Yonge-Dundas Square

### Schedule of Permit Revenue and Event Support Revenue

Year Ended December 31

2009

2008

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#### Permit revenue

Event permits	\$ 277,279	\$ 237,168
Artisan market permits	<u>68,973</u>	<u>102,346</u>
	\$ <u>346,252</u>	\$ <u>339,514</u>

#### Event support revenue

Electrician	\$ 26,467	\$ 24,601
Security	76,815	51,336
AV technician	43,367	26,069
Custodial	22,676	30,238
Sound	72,189	42,353
Logistic	168,910	137,292
Utilities	<u>24,037</u>	<u>18,880</u>
	\$ <u>434,461</u>	\$ <u>330,769</u>