



Financial statements

Yonge-Dundas Square

December 31, 2012

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## Independent auditor's report

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

We have audited the accompanying financial statements of the **Yonge-Dundas Square**, which comprise the statement of financial position as at December 31, 2012, statement of operations and accumulated surplus, statement of net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Yonge-Dundas Square** as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Toronto, Ontario  
April 4, 2013

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

# Yonge-Dundas Square

## Statement of financial position

December 31

2012

2011

### Financial assets

Cash and short term investments	\$ 349,589	\$ 269,013
Receivables		
- Other (Note 3)	<u>105,126</u>	<u>135,695</u>
	<u>454,715</u>	<u>404,708</u>

### Liabilities

Payables and accruals		
- City of Toronto (Note 4)	243,368	188,901
- Other (Note 5)	221,717	222,176
Deferred revenue	<u>2,907</u>	<u>947</u>
	<u>467,992</u>	<u>412,024</u>


**Net financial assets (liabilities)** (13,277) (7,316)

### Non-financial assets

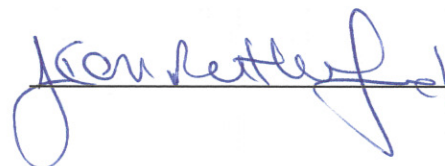
Prepays	13,277	7,316
Tangible capital assets (Note 6)	<u>186,983</u>	<u>150,960</u>
Accumulated surplus	\$ <u>186,983</u>	\$ <u>150,960</u>

Commitments (Note 8)

On behalf of the Board



Director



Director

See accompanying notes to the financial statements.

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## Yonge-Dundas Square

### Statement of operations and accumulated surplus

Year ended December 31

2012

2011

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#### Revenue

City of Toronto	\$ 463,664	\$ 515,182
Corporate sponsorship and contributions	150,000	175,000
Permit revenue	435,147	328,771
Event support revenue (Page 11)	1,042,854	874,889
Food and beverages	5,130	5,463
Preferred suppliers	3,347	6,688
Rental income	307,743	302,913
Signage	157,089	162,309
Other revenue	8,298	5,358
	<u>2,573,272</u>	<u>2,376,573</u>

#### Expenditures

Event support	807,999	693,847
Marketing	170,035	210,455
Payroll	446,779	422,015
Seasonal contract employees	48,221	40,000
Maintenance	410,249	360,120
Security	173,429	157,440
Administration	181,753	156,273
Amortization	55,397	42,220
Loss on disposal of capital assets	2,363	-
	<u>2,296,225</u>	<u>2,082,370</u>

Net revenue	277,047	294,203
Net revenue payable to the City of Toronto	<u>(241,024)</u>	<u>(235,886)</u>
Annual surplus	36,023	58,317
Opening accumulated surplus	<u>150,960</u>	<u>92,643</u>
Ending accumulated surplus	<u>\$ 186,983</u>	<u>\$ 150,960</u>

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See accompanying notes to the financial statements.

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## Yonge-Dundas Square

### Statement of net financial assets

Year ended December 31	2012	2011
Annual surplus	\$ 36,023	\$ 58,317
Acquisition of tangible capital assets	(93,782)	(100,537)
Amortization of tangible capital assets	55,397	42,220
Loss on disposal of tangible capital assets	2,362	-
Use of prepaid expenses	<u>(5,961)</u>	<u>(2,586)</u>
Change in net financial assets	(5,961)	(2,586)
Net financial assets (liabilities), beginning of year	<u>(7,316)</u>	<u>(4,730)</u>
Net financial assets (liabilities), end of year	\$ <u>(13,277)</u>	\$ <u>(7,316)</u>

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See accompanying notes to the financial statements.



## Yonge-Dundas Square Statement of cash flows

Year ended December 31

2012

2011

### Cash flows from operating transactions

Annual surplus	\$	36,023	\$	58,317
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### Non-cash charges to operations

Amortization		55,397		42,220
Loss on disposal of tangible capital assets		2,362		-
Prepays		(5,961)		(2,586)
Payable to the City of Toronto		54,467		93,425
Receivables – Other		30,569		2,941
Deferred revenue – City of Toronto		-		(12,649)
Deferred revenue – Other		1,960		947
Payables and accruals		(459)		(193,742)

Cash provided (used) by operating transactions		<u>174,358</u>		<u>(11,127)</u>
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### Capital transactions

Purchase of tangible capital assets		<u>(93,782)</u>		<u>(100,537)</u>
Cash used in capital transactions		<u>(93,782)</u>		<u>(100,537)</u>

Net increase (decrease) in cash		80,576		(111,664)
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Cash, beginning of year		<u>269,013</u>		<u>380,677</u>
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Cash, end of year	\$	<u>349,589</u>	\$	<u>269,013</u>
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See accompanying notes to the financial statements.



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# Yonge-Dundas Square

## Notes to the financial

December 31, 2012

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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 public sector accounting standards, as required 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
Facilities equipment	- 5 years straight-line
Indoor furniture	- 5 years straight-line
Leasehold improvements	- 5 years straight-line
Outdoor furniture	- 3 years straight-line
Outdoor equipment	- 2 to 5 years straight-line

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## Yonge-Dundas Square

### Notes to the financial

December 31, 2012

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<b>3. Other receivables</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Permit and event support receivables	\$ 10,381	\$ 14,377
Signage receivable	92,760	119,847
Rent receivable	247	-
Other	<u>1,738</u>	<u>1,471</u>
	<b><u>\$ 105,126</u></b>	<b><u>\$ 135,695</u></b>

The receivable for Signage includes an amount of \$82,089 (2011 – \$87,309). This amount is based on the Square's advertising reaching a predetermined threshold and may not repeat in future years.

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#### 4. Payable to the City of Toronto

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

	<b><u>2012</u></b>	<b><u>2011</u></b>
Trade receivable from City of Toronto	\$ (7,290)	\$ (49,261)
Trade payable to City of Toronto	9,634	2,276
Current year's net revenue payable to the City of Toronto	<u>241,024</u>	<u>235,886</u>
Payable to the City of Toronto	<b><u>\$ 243,368</u></b>	<b><u>\$ 188,901</u></b>

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<b>5. Other payables</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Client deposits	\$ 20,000	\$ 20,000
Accruals	14,884	13,519
HST payable	24,087	3,911
Trade	<u>162,746</u>	<u>184,746</u>
	<b><u>\$ 221,717</u></b>	<b><u>\$ 222,176</u></b>

# Yonge-Dundas Square

## Notes to the financial

December 31, 2012

6. Tangible capital assets	Computers	Facilities Equipment	Furniture Improvements	Leasehold Improvements	Outdoor Furniture	Outdoor Equipment	Total 2012	Total 2011
<b>Cost</b>								
Balance, beginning of year	\$ 17,332	\$ -	\$ 16,783	\$ -	\$ 34,631	\$ 140,935	\$ 209,681	\$ 109,144
Transfers	-	22,690	-	-	-	(22,690)	-	-
Add: Additions during the year	5,205	16,706	20,885	42,907	5,979	2,100	93,782	100,537
Less: Disposals during the year	-	-	(4,557)	-	-	-	(4,557)	-
	<u>22,537</u>	<u>39,396</u>	<u>33,111</u>	<u>42,907</u>	<u>40,610</u>	<u>120,345</u>	<u>298,906</u>	<u>209,681</u>
<b>Accumulated amortization</b>								
Balance, beginning of year	(8,371)	-	(7,314)	-	(15,285)	(27,751)	(58,721)	(16,501)
Transfers	-	(3,105)	-	-	-	3,105	-	-
Add: Amortization during the year	(5,586)	(5,457)	(2,224)	-	(12,374)	(29,756)	(55,397)	(42,220)
Less: Disposals during the year	-	-	2,195	-	-	-	2,195	-
	<u>(13,957)</u>	<u>(8,562)</u>	<u>(7,343)</u>	<u>-</u>	<u>(27,659)</u>	<u>(54,402)</u>	<u>(111,923)</u>	<u>(58,721)</u>
Balance, end of year	\$ <u>8,580</u>	\$ <u>30,834</u>	\$ <u>25,768</u>	\$ <u>42,907</u>	\$ <u>12,951</u>	\$ <u>65,943</u>	\$ <u>186,983</u>	\$ <u>150,960</u>

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# Yonge-Dundas Square

## Notes to the financial

December 31, 2012

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### 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.

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### 8. Commitments

Yonge-Dundas Square has entered into an agreement to lease office premises until December 31, 2018. The base rent under this agreement is as follows:

2013	25,753
2014	25,753
2015	26,744
2016	26,744
2017	27,734
Thereafter	27,734

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## Yonge-Dundas Square

### Schedule of event support revenue

Year ended December 31

2012

2011

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#### Event support revenue

Electrician	\$ 22,010	\$ 15,315
Security	185,393	136,904
AV technician	98,716	101,416
Custodial	56,370	52,832
Sound	108,680	93,560
Logistic and staging	300,165	233,256
Equipment rental	231,589	206,936
Utilities	<u>39,931</u>	<u>34,670</u>
	<u>\$ 1,042,854</u>	<u>\$ 874,889</u>