



Financial statements

Yonge-Dundas Square

December 31, 2010

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Independent Auditors' 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, 2010, statement of operations and accumulated surplus, statement of net 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 generally accepted accounting principles, 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, 2010, 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
May 12, 2011

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

Yonge-Dundas Square

Statement of financial position

December 31

2010

2009

Financial assets

Cash and short term investments	\$ 380,677	\$ 36,465
Receivables		
- City of Toronto (Note 5)	-	24,327
- Other (Note 3)	138,636	60,122
Receivable - City of Toronto (Note 4)	<u>22,931</u>	<u>24,556</u>
	<u>542,244</u>	<u>145,470</u>

Liabilities

Payables and accruals		
- City of Toronto (Note 5)	95,476	-
- Other (Note 6)	415,918	125,644
Deferred revenue – City of Toronto	12,649	-
Employee benefits payable (Note 4)	<u>22,931</u>	<u>24,556</u>
	<u>546,974</u>	<u>150,200</u>

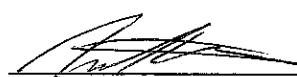
Net financial assets (liabilities) (4,730) (4,730)

Non-financial assets

Prepays	4,730	4,730
Tangible capital assets (Note 7)	<u>92,643</u>	<u>3,902</u>
Accumulated surplus	\$ <u>92,643</u>	\$ <u>3,902</u>

Commitments (Note 9)

On behalf of the Board



Director



Director

See accompanying notes to the financial statements.

Yonge-Dundas Square

Statement of operations

Year ended December 31

2010

2009

Revenue		
City of Toronto	\$ 543,744	\$ 572,362
City of Toronto - employee benefits (Note 4)	(1,625)	(288)
Corporate sponsorship and contributions	165,000	69,400
Permit revenue (Page 11)	408,771	346,252
Event support revenue (Page 11)	872,790	434,461
Food and beverages	5,405	4,745
Preferred suppliers	9,403	13,294
Rental income	324,107	255,551
Signage	160,658	96,598
Other revenue	7,976	2,740
	<u>2,496,229</u>	<u>1,795,115</u>
Expenditures		
Event support	787,239	450,184
Marketing	201,224	185,671
Payroll	358,847	360,930
Seasonal contract employees	11,462	-
Maintenance	428,009	457,181
Security	171,682	149,085
Administration	263,325	182,306
Amortization	9,526	1,115
	<u>2,231,314</u>	<u>1,786,472</u>
Net revenue	264,915	8,643
Net revenue payable to the City of Toronto	(176,174)	(4,741)
Annual surplus	88,741	3,902
Opening accumulated surplus	<u>3,902</u>	<u>-</u>
Ending accumulated surplus	<u>\$ 92,643</u>	<u>\$ 3,902</u>

See accompanying notes to the financial statements.

Yonge-Dundas Square Statement of net assets

Year ended December 31

2010

2009

Annual surplus	\$	88,741	\$	3,902
Acquisition of tangible capital assets		(98,267)		(5,017)
Amortization of tangible capital assets		9,526		1,115
Use of prepaid expenses		-		150
Change in net financial assets		-		150
Net financial (liabilities), beginning of year		<u>(4,730)</u>		<u>(4,880)</u>
Net financial (liabilities), end of year	\$	<u>(4,730)</u>	\$	<u>(4,730)</u>

See accompanying notes to the financial statements.

Yonge-Dundas Square Statement of cash flows

Year ended December 31

2010

2009

Cash flows from operating transactions

Annual surplus \$ 88,741 \$ 3,902

Non-cash charges to operations

Amortization	9,526	1,115
Prepays	-	150
Receivable from/payable to the City of Toronto	119,803	(36,060)
Receivables – other	(78,514)	45,649
Deferred revenue – City of Toronto	12,649	-
Payables and accruals	<u>290,274</u>	<u>(105,627)</u>
Cash provided (used) by operating transactions	<u>442,479</u>	<u>(90,871)</u>

Capital transactions

Purchase of tangible capital assets	<u>(98,267)</u>	<u>(5,017)</u>
Cash used in capital transactions	<u>(98,267)</u>	<u>(5,017)</u>

Net increase (decrease) in cash 344,212 (95,888)

Cash, beginning of year 36,465 132,353

Cash, end of year \$ 380,677 \$ 36,465

See accompanying notes to the financial statements.

Yonge-Dundas Square

Notes to the financial statements

December 31, 2010

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 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
Indoor furniture	- 5 years straight-line
Outdoor furniture	- 3 years straight-line
Outdoor equipment	- 2 to 5 years straight-line

Yonge-Dundas Square

Notes to the financial statements

December 31, 2010

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.

3. Other receivables	<u>2010</u>	<u>2009</u>
Permit and event support receivables	\$ 7,811	\$ 60,122
Signage receivable	114,674	-
Rent receivable	14,865	-
Other	<u>1,286</u>	<u>-</u>
	<u>\$ 138,636</u>	<u>\$ 60,122</u>

The receivable for Signage includes an amount of \$84,842. This amount is based on the Square's advertising reaching a predetermined threshold and may not repeat in future years.

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 2009 and has been extrapolated to provide the accrued benefit obligation as at December 31, 2010.

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>2010</u>	<u>2009</u>
Long term disability plan	\$ -	\$ -
Unamortized actuarial (gain) loss	<u>22,931</u>	<u>24,556</u>
	<u>\$ 22,931</u>	<u>\$ 24,556</u>

Yonge-Dundas Square

Notes to the financial statements

December 31, 2010

4. Employee benefits payable (continued)

The continuity of the accrued benefit obligation during 2010 is as follows:

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 24,556	\$ 24,844
Current service cost	-	-
Interest cost	-	1,337
Amortization of actuarial gain	(1,625)	(1,625)
Expected benefits paid	<u>-</u>	<u>-</u>
	<u>\$ 22,931</u>	<u>\$ 24,556</u>

Amounts in 2010 relating to employee benefits totalling \$1,625 (2009 - \$(288)) are included in administrative employee benefit expenses on the Statement of Operations and include the following components:

	<u>2010</u>	<u>2009</u>
Current service cost	\$ -	\$ -
Interest cost	-	(1,625)
Amortization of actuarial (loss) gain	(1,625)	1,337
Expected benefits paid	<u>-</u>	<u>-</u>
Total expenditures (recovery) related to post-retirement and post-employment benefits	<u>\$ (1,625)</u>	<u>\$ (288)</u>

A long term receivable of \$22,931 (2009 - \$24,556) 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 \$23,235 in 2010 (2009 - \$19,853).

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

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

	<u>2010</u>	<u>2009</u>
Trade receivable from City of Toronto	\$ 93,946	\$ 47,408
Trade payable to City of Toronto	(13,248)	(6,607)
Prior year's net revenue payable	-	(11,733)
Current year's net revenue payable to the City of Toronto	<u>(176,174)</u>	<u>(4,741)</u>
(Payable to) receivable from the City of Toronto	<u>\$ (95,476)</u>	<u>\$ 24,327</u>

Yonge-Dundas Square

Notes to the financial statements

December 31, 2010

6. Other payables	2010	2009
Client deposits	\$ 39,018	\$ 44,573
Accruals	12,912	10,780
GST payables	1,406	842
Trade	<u>362,582</u>	<u>69,449</u>
	<u>\$ 415,918</u>	<u>\$ 125,644</u>

7. Tangible capital assets

	Computers	Furniture	Outdoor Furniture	Outdoor Equipment	Total 2010	Total 2009
Cost						
Balance, beginning of year	\$ 5,017	\$ 5,860	\$ -	\$ -	\$ 10,877	\$ 5,860
Add: Additions during the year	10,717	2,243	19,516	65,791	98,267	5,017
Less: Disposals during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>15,734</u>	<u>8,103</u>	<u>19,516</u>	<u>65,791</u>	<u>109,144</u>	<u>10,877</u>
Accumulated amortization						
Balance, beginning of year	\$ (1,115)	\$ (5,860)	\$ -	\$ -	\$ (6,975)	\$ (5,860)
Add: Amortization during the year	<u>(1,890)</u>	<u>(449)</u>	<u>(5,421)</u>	<u>(1,766)</u>	<u>(9,526)</u>	<u>(1,115)</u>
Balance, end of year	<u>(3,005)</u>	<u>(6,309)</u>	<u>(5,421)</u>	<u>(1,766)</u>	<u>(16,501)</u>	<u>(6,975)</u>
					<u>\$ 92,643</u>	<u>\$ 3,902</u>

8. 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.

Yonge-Dundas Square

Notes to the financial statements

December 31, 2010

9. 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

Yonge-Dundas Square

Schedule of permit revenue and event support revenue

Year ended December 31

2010

2009

Permit revenue

Event permits	\$ 336,609	\$ 277,279
Artisan market permits	<u>72,162</u>	<u>68,973</u>
	<u>\$ 408,771</u>	<u>\$ 346,252</u>

Event support revenue

Electrician	\$ 29,722	\$ 26,467
Security	149,191	76,815
AV technician	108,804	43,367
Custodial	45,004	22,676
Sound	223,579	72,189
Logistic and staging	278,069	168,910
Utilities	<u>38,421</u>	<u>24,037</u>
	<u>\$ 872,790</u>	<u>\$ 434,461</u>