



Financial statements

Yonge-Dundas Square

December 31, 2011

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## Independent Auditor's report

Grant Thornton LLP  
Royal Bank Plaza  
19th Floor, South Tower  
200 Bay Street, Box 55  
Toronto, ON  
M5J 2P9  
T + 1 416 366-0100  
F + 1 416 360-4949  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

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, 2011, 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 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, 2011, 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 10, 2012

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

# Yonge-Dundas Square

## Statement of financial position

December 31 2011 2010

### Financial assets

Cash and short term investments	\$ 269,013	\$ 380,677
Receivables		
- Other (Note 3)	<u>135,695</u>	<u>138,636</u>
	<u>404,708</u>	<u>519,313</u>

### Liabilities

Payables and accruals		
- City of Toronto (Note 4)	188,901	95,476
- Other (Note 5)	222,176	415,918
Deferred revenue		
- City of Toronto	-	12,649
- Other	<u>947</u>	<u>-</u>
	<u>412,024</u>	<u>524,043</u>

**Net financial assets (liabilities)** (7,316) (4,730)

### Non-financial assets

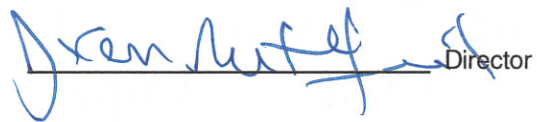
Prepays	7,316	4,730
Tangible capital assets (Note 6)	<u>150,960</u>	<u>92,643</u>
Accumulated surplus	<u>\$ 150,960</u>	<u>\$ 92,643</u>

Prior period adjustment (Note 8)  
Commitments (Note 9)

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

2011

2010

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#### Revenue

City of Toronto	\$ 515,182	\$ 543,744
Corporate sponsorship and contributions	175,000	165,000
Permit revenue (Page 10)	328,771	408,771
Event support revenue (Page 10)	874,889	872,790
Food and beverages	5,463	5,405
Preferred suppliers	6,688	9,403
Rental income	302,913	324,107
Signage	162,309	160,658
Other revenue	5,358	7,976
	<u>2,376,573</u>	<u>2,497,854</u>

#### Expenditures

Event support	693,847	787,239
Marketing	210,455	201,224
Payroll	422,015	360,472
Seasonal contract employees	40,000	11,462
Maintenance	360,120	428,009
Security	157,440	171,682
Administration	156,273	263,325
Amortization	42,220	9,526
	<u>2,082,370</u>	<u>2,232,939</u>

Net revenue	294,203	264,915
Net revenue payable to the City of Toronto	<u>(235,886)</u>	<u>(176,174)</u>
Annual surplus	58,317	88,741
Opening accumulated surplus	<u>92,643</u>	<u>3,902</u>
Ending accumulated surplus	<u>\$ 150,960</u>	<u>\$ 92,643</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	2011	2010
Annual surplus	\$ 58,317	\$ 88,741
Acquisition of tangible capital assets	(100,537)	(98,017)
Amortization of tangible capital assets	42,220	9,526
Use of prepaid expenses	<u>(2,586)</u>	<u>-</u>
Change in net financial assets	(2,586)	-
Net financial assets (liabilities), beginning of year	<u>(4,730)</u>	<u>(4,730)</u>
Net financial assets (liabilities), end of year	\$ <u>(7,316)</u>	\$ <u>(4,730)</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

2011

2010

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#### Cash flows from operating transactions

Annual surplus \$ 58,317 \$ 88,741

#### Non-cash charges to operations

Amortization	42,220	9,526
Prepays	(2,586)	-
Payable to the City of Toronto	93,425	119,803
Receivables – other	2,941	(78,514)
Deferred revenue – City of Toronto	(12,649)	12,649
Deferred revenue – other	947	-
Payables and accruals	<u>(193,742)</u>	<u>290,274</u>
Cash (used) provided by operating transactions	<u>(11,127)</u>	<u>442,479</u>

#### Capital transactions

Purchase of tangible capital assets	<u>(100,537)</u>	<u>(98,267)</u>
Cash used in capital transactions	<u>(100,537)</u>	<u>(98,267)</u>

Net (decrease) increase in cash (111,664) 344,212

Cash, beginning of year 380,677 36,465

Cash, end of year \$ 269,013 \$ 380,677

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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, 2011

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

Tangible capital assets recorded in the Square's financial statements are the "movable" capital assets, the "immovable" capital assets, including the land, buildings, other structures and any major renovations or repairs are not recorded in these financial statements.

## Yonge-Dundas Square

### Notes to the financial statements

December 31, 2011

<b>3. Other receivables</b>	<u>2011</u>	<u>2010</u>
Permit and event support receivables	\$ 14,377	\$ 7,188
Signage receivable	119,847	114,674
Rent receivable	-	14,685
Other	<u>1,471</u>	<u>1,286</u>
	<u>\$ 135,695</u>	<u>\$ 138,636</u>

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

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

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

	<u>2011</u>	<u>2010</u>
Trade receivable from City of Toronto	\$ (49,261)	\$ (93,946)
Trade payable to City of Toronto	2,276	13,248
Current year's net revenue payable to the City of Toronto	<u>235,886</u>	<u>176,174</u>
Payable to the City of Toronto	<u>\$ 188,901</u>	<u>\$ 95,476</u>

#### 5. Other payables

	<u>2011</u>	<u>2010</u>
Client deposits	\$ 20,000	\$ 39,018
Accruals	13,519	12,912
HST payable	3,901	1,406
Trade	<u>184,756</u>	<u>362,582</u>
	<u>\$ 222,176</u>	<u>\$ 415,918</u>

#### 6. Tangible capital assets

<b>Cost</b>	<u>Computers</u>	<u>Furniture</u>	<u>Outdoor Furniture</u>	<u>Outdoor Equipment</u>	<u>Total 2011</u>	<u>Total 2010</u>
Balance, beginning of year	\$ 15,734	\$ 8,103	\$ 19,516	\$ 65,791	\$ 109,144	\$ 10,877
Add: Additions during the year	<u>1,598</u>	<u>8,680</u>	<u>15,115</u>	<u>75,144</u>	<u>100,537</u>	<u>98,267</u>
	<u>17,332</u>	<u>16,783</u>	<u>34,631</u>	<u>140,935</u>	<u>209,681</u>	<u>109,144</u>
<b>Accumulated amortization</b>						
Balance, beginning of year	\$ (3,005)	\$ (6,309)	\$ (5,421)	\$ (1,766)	\$ (16,501)	\$ (6,975)
Add: Amortization during the year	<u>(5,366)</u>	<u>(1,005)</u>	<u>(9,864)</u>	<u>(25,985)</u>	<u>(42,220)</u>	<u>(9,526)</u>
Balance, end of year	<u>(8,371)</u>	<u>(7,314)</u>	<u>(15,285)</u>	<u>(27,751)</u>	<u>(58,721)</u>	<u>(16,501)</u>
					<u>\$150,960</u>	<u>\$ 92,643</u>

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# **Yonge-Dundas Square**

## **Notes to the financial statements**

December 31, 2011

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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. Prior period adjustment – Employee benefits**

The long-term receivable from the City of Toronto of \$22,931 and the Employee benefits payable of \$22,931 were incorrectly recorded on the prior year's financial statements. The organization does not have any employees who qualify for the benefit plan provided by The City of Toronto. Accordingly, the asset and corresponding liability have been reversed.

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### **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:

2012	23,678
2013	5,919

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## Yonge-Dundas Square

### Schedule of permit revenue and event support revenue

Year ended December 31

2011

2010

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#### Permit revenue

Event permits	\$ 328,771	\$ 336,609
Artisan market permits	<u>-</u>	<u>72,162</u>
	<u>\$ 328,771</u>	<u>\$ 408,771</u>

#### Event support revenue

Electrician	\$ 15,315	\$ 29,722
Security	136,904	149,191
AV technician	101,416	108,804
Custodial	52,832	45,004
Sound	93,560	223,579
Logistic and staging	233,256	278,069
Equipment rental	206,936	-
Utilities	<u>34,670</u>	<u>38,421</u>
	<u>\$ 874,889</u>	<u>\$ 872,790</u>