

Financial statements

Sankofa Square (formerly Yonge-Dundas Square)

December 31, 2024

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Management's Responsibility for the Financial Statements

The financial statements of Sankofa Square (formerly Yonge-Dundas Square) (the "Square") are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared in compliance with the Canadian public sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Square's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting. The Board reviews the Square's financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Doane Grant Thornton LLP, independent external auditors appointed by the City of Toronto's City Council, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Square's financial statements.



**Julian Sleath - General
Manager**



Samantha Summers - Treasurer

Independent Auditor's Report

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To the Council of the Corporation of the City of Toronto and the Board of Directors of
Sankofa Square

Opinion

We have audited the financial statements of Sankofa Square (formerly Yonge-Dundas Square) (the "Square"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Square as at December 31, 2024, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Square in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Square's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Square or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Square's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Square's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Square's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Square to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Toronto, Canada
April 10, 2025

Chartered Professional Accountants
Licensed Public Accountants

Sankofa Square (formerly Yonge-Dundas Square)

Statement of Financial Position

December 31, 2024

2024

2023

Financial assets

Cash	\$ 297,936	\$ 726,575
Accounts receivable (Note 4)	667,760	673,780
Government remittances receivable	20,074	29,274
	<u>985,770</u>	<u>1,429,629</u>

Liabilities

Accounts payable and accrued liabilities	622,088	228,741
Due to City of Toronto – operating surplus (Note 5)	373,428	1,210,500
	<u>995,516</u>	<u>1,439,241</u>

Net debt

<u>(9,746)</u>	<u>(9,612)</u>
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Non-financial assets

Prepaid expenses	9,743	9,609
Tangible capital assets (Note 6)	188,492	115,032
	<u>198,235</u>	<u>124,641</u>

Accumulated surplus

\$ 188,489	\$ 115,029
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Commitments (Note 9)

Approved by the Board



Gideon Arthurs - Chair



Samantha Summers - Treasurer

See accompanying notes to the financial statements.

Sankofa Square (formerly Yonge-Dundas Square)

Statement of Operations

Year ended December 31, 2024

	2024 <u>Budget</u>	2024 <u>Total</u>	2023 <u>Total</u>
Revenue			
City of Toronto	\$ 1,509,920	\$ 1,509,920	\$ 1,298,367
– Renaming	230,000	185,826	-
– Capital signage changes	105,000	12,603	-
– Tax stabilization	-	-	21,422
Event support revenue (Schedule A)	820,000	979,066	1,256,456
Signage (Note 4)	650,000	826,530	825,746
Rental income	250,000	299,968	313,814
Permit revenue	200,000	275,170	160,915
Corporate sponsorship and contributions	-	98,425	-
Other revenue	<u>25,000</u>	<u>6,956</u>	<u>26,115</u>
	<u>3,789,920</u>	<u>4,194,464</u>	<u>3,902,835</u>
Expenses (Note 10)			
Administration	1,406,574	1,630,075	1,398,092
Facilities management	1,300,346	1,219,714	1,171,780
Event management	<u>1,083,000</u>	<u>1,040,317</u>	<u>958,856</u>
	<u>3,789,920</u>	<u>3,890,106</u>	<u>3,528,728</u>
Operating surplus	\$ <u>-</u>	304,358	374,107
Net surplus payable to the City of Toronto (Note 5)		<u>(230,898)</u>	<u>(374,192)</u>
Annual surplus (deficit)		73,460	(85)
Accumulated surplus, beginning of year		<u>115,029</u>	<u>115,114</u>
Accumulated surplus, end of year		\$ 188,489	\$ 115,029

See accompanying notes to the financial statements.

Sankofa Square (formerly Yonge-Dundas Square)

Statement of Changes in Net Debt

Year ended December 31, 2024

	2024 <u>Budget</u>	2024 <u>Total</u>	2023 <u>Total</u>
Annual surplus (deficit)	\$ -	\$ 73,460	\$ (85)
Acquisition of tangible capital assets	-	(112,588)	(42,687)
Amortization of tangible capital assets	-	39,128	42,772
(Acquisition) use of prepaid expenses	<u>-</u>	<u>(134)</u>	<u>5,931</u>
(Decrease) increase in net debt	-	(134)	5,931
Net debt, beginning of year	<u>(9,612)</u>	<u>(9,612)</u>	<u>(15,543)</u>
Net debt, end of year	\$ <u>(9,612)</u>	\$ <u>(9,746)</u>	\$ <u>(9,612)</u>

See accompanying notes to the financial statements.

Sankofa Square (formerly Yonge-Dundas Square)

Statement of Cash Flows

Year ended December 31

2024

2023

Cash flows from (used in) operating activities

Annual surplus (deficit) \$ 73,460 \$ (85)

Amortization of tangible capital assets 39,128 42,772
112,588 42,687

Non-cash charges to operations:

Accounts receivable 6,020 (208,743)

Government remittances receivable 9,200 (29,274)

Accounts payable and accrued liabilities 393,347 (96,519)

Government remittances payable - (67)

Due to City of Toronto – operating surplus (837,072) 374,192

Customer deposits - (3,684)

Prepaid expenses (134) 5,931

(316,051) 84,523

Capital activities

Purchase of tangible capital assets (112,588) (42,687)

Investing activities

Purchase of investments - (603,682)

(Decrease) increase in cash (428,639) 645,518

Cash, beginning of year 726,575 81,057

Cash, end of year \$ 297,936 \$ 726,575

See accompanying notes to the financial statements.

Sankofa Square (formerly Yonge-Dundas Square)

Notes to the financial statements

December 31, 2024

1. Nature of operations

Sankofa Square (formerly Yonge-Dundas Square) (the "Square") is an event venue for the general public. The City of Toronto appointed a volunteer Board of Management ("Board") to operate the Square. The 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 on January 1, 2003. The Board, on the direction of the City of Toronto, has approved the change of name of the Square to Sankofa Square on December 14, 2023. The enacted date of this change of name was June 26, 2024.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Revenue recognition

The Square recognizes revenue when it is realized or realizable and earned. The Square considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the product has been delivered or the service has been provided to the customer, the sales price is fixed or determinable and collectability is reasonably assured.

Amounts received for future services are deferred until the service or performance obligations are provided. Specifically, sponsorship, signage and rental income are recognized rateably over the terms indicated in the agreements. Permits, event support and food and beverage are recognized once the event has occurred or performance obligations are met.

Tangible capital assets

Purchased tangible capital assets are recorded at cost and contributed tangible 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
Facilities equipment	5 to 10 Years
Indoor furniture	5 years
Leasehold improvements	5 years
Outdoor furniture	3 years
Outdoor equipment	2 to 5 years

Financial instruments

The Square initially measures its financial assets and financial liabilities at fair value.

The Square subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and amounts due from the City of Toronto.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and amounts due to the City of Toronto

Sankofa Square (formerly Yonge-Dundas Square)

Notes to the financial statements

December 31, 2024

2. Summary of significant accounting policies (continued)

Non-monetary transactions

Non-monetary transactions are measured at the more reliable of the fair value of the asset given up and the fair value of the asset received unless the transaction lacks commercial substance or the transaction is an exchange of a product held for sale in the ordinary course of business, in which case the transaction is measured at the carrying amount of the asset given up.

Employee pension plan

The Square's eligible employees are members of a multi-employer defined benefit pension plan offered by the City of Toronto. Due to the nature of the Plan, the Square does not have sufficient information to account for the Plan as a defined benefit plan; therefore, the multi-employer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period in which contributions are made.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining useful life of its tangible capital assets, assessing the allowance of doubtful accounts, and significant accrued liabilities. Actual results could differ from those estimates, the impact of which would be recorded in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and in any future years affected.

3. Change in accounting policy – Adoption of new accounting standard

Effective January 1, 2024, the Square adopted PS3400 *Revenues* retroactively with no restatement required.

PS 3400 *Revenues* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

Sankofa Square (formerly Yonge-Dundas Square)

Notes to the financial statements

December 31, 2024

4. Accounts receivable

Accounts receivable includes \$225,169 (2023 - \$278,944) of the following sponsorship and signage activities.

	<u>2024</u>	<u>2023</u>
Sponsorship and signage receivable, beginning of year	\$ 278,944	\$ 330,002
Less: Signage revenue received	(520,336)	(517,720)
Add: Signage revenue recognized	491,140	491,139
Less: Signage recoveries recognized	<u>(24,579)</u>	<u>(24,477)</u>
Sponsorship and signage receivable, end of year	225,169	278,944
Other receivables	<u>442,591</u>	<u>394,836</u>
	<u>\$ 667,760</u>	<u>\$ 673,780</u>

5. Operating surplus due to the City of Toronto

The amount due to the City of Toronto consists of the following:

	<u>2024</u>	<u>2023</u>
Balance payable, beginning of year	\$ 1,210,500	\$ 836,308
Current year's operating surplus	304,358	374,107
Current year's tangible capital assets purchase	(112,588)	(42,687)
Current year's amortization	<u>39,128</u>	<u>42,772</u>
Net payable to the City of Toronto for current year	<u>230,898</u>	<u>374,192</u>
Paid during the current year	<u>(1,067,970)</u>	<u>-</u>
Balance payable, end of year	<u>\$ 373,428</u>	<u>\$ 1,210,500</u>

The Due to City of Toronto balance is comprised of.

	<u>2024</u>	<u>2023</u>
2020 surplus payable	\$ 142,530	\$ 142,530
2022 surplus payable	-	693,778
2023 surplus payable	-	374,192
2024 surplus payable	<u>230,898</u>	<u>-</u>
	<u>\$ 373,428</u>	<u>\$ 1,210,500</u>

Sankofa Square (formerly Yonge-Dundas Square)

Notes to the financial statements

December 31, 2024

6. Tangible capital assets

			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 73,358	\$ 61,725	\$ 11,633	\$ 7,539
Facilities equipment	292,405	252,768	39,637	27,508
Indoor furniture	29,338	29,338	-	-
Leasehold improvements	42,907	42,907	-	-
Outdoor furniture	103,018	65,100	37,918	31,085
Outdoor equipment	<u>239,283</u>	<u>139,979</u>	<u>99,304</u>	<u>48,900</u>
	<u>\$ 780,309</u>	<u>\$ 591,817</u>	<u>\$ 188,492</u>	<u>\$ 115,032</u>

7. Employee pension plan

The Square makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its eligible employees. The OMERS plan (the "Plan") is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$70,691 in 2024 (2023 - \$66,142).

The most recent actuarial valuation of the Plan as at December 31, 2024, indicates that the Plan is in a deficit position and the Plan's December 31, 2024, financial statements indicate a net deficit of \$4,319,000,000 (a deficit of \$2,913,000,000 plus adjustment of \$1,406,000,000 of unrecognized investment returns above or below the discount rate that is being smoothed and recognized over a five-year period). The Plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan's assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Square's contributions accounted for an insignificant portion of the Plan's total employer contributions. Additional contributions, if any, required to address the Square's proportionate share of the deficit will be expensed during the period incurred.

8. Contractual rights

In 2017, the Square entered into a 10-year agreement with Outfront Media for the installation, maintenance, display and operation of electronic signs. This agreement was subsequently amended on June 1, 2020. Outfront Media has agreed to pay the Square the following minimum annual guaranteed payments. Outfront Media has changed its name to OutEdge

Sankofa Square (formerly Yonge-Dundas Square)

Notes to the financial statements

December 31, 2024

8. Contractual rights (continued)

2017	\$	250,000
2018		400,000
2019		400,000
2020		283,333
2021		417,721
2022		517,721
2023		517,721
2024		517,721
2025		517,721
2026		517,721
2027		<u>510,341</u>
	\$	<u>4,850,000</u>

This agreement also includes commitments to purchase the electronic signs.

9. Commitments

The Square has entered into an operating lease for office premises ending December 31, 2026. The total minimum lease payments are as follows:

2025	\$	34,668
2026		36,649

10. Expenditures by object

	<u>2024</u>	<u>2023</u>
Event support	\$ 968,828	\$ 931,682
Payroll (Note 7)	923,616	818,280
Security	673,878	599,828
Maintenance	617,325	599,126
Administration	365,396	414,019
Marketing	301,935	123,021
Amortization	<u>39,128</u>	<u>42,772</u>
	\$ <u>3,890,106</u>	\$ <u>3,528,728</u>

11. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Square's financial instruments. The maximum exposure to credit risk for the financial assets would be the carrying values shown on the statement of financial position.

Sankofa Square (formerly Yonge-Dundas Square)

Notes to the financial statements

December 31, 2024

11. Financial instruments (continued)

Credit risk

The Square is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Square's maximum exposure to credit risk represents the sum of the carrying value of its cash and accounts receivable. The Square's cash is with a Canadian chartered bank and as a result management believes the risk of loss to be remote. The Square provides credit to its customers in the normal course of operations. Management believes that the Square's credit risk with respect to accounts receivable is limited. The Square manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

Liquidity risk

Liquidity risk refers to the adverse consequence that the Square will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of accounts payable and accrued liabilities. The Square manages liquidity risk by monitoring its cash flow requirements on a regular basis. Management believes its overall liquidity risk to be minimal as the Square's financial assets are considered to be highly liquid. The following table sets out the expected maturities, representing undiscounted cash flows of its financial liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Due to City of Toronto	\$ 373,428	\$ -	\$ -	\$ -	\$ 373,428
Accounts payable and accrued liabilities	\$ 622,088	\$ -	\$ -	\$ -	\$ 622,088

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk.

It is management's opinion that unless otherwise noted, the Square is not exposed to significant market risk arising from its financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Square's cash earn interest at prevailing market rates and management believes the interest rate exposure related to these financial instruments is negligible.

Changes in risk

There have been no significant changes in the Square's risk exposures from the prior year.

Sankofa Square

Schedule of Event Support Revenue

Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Event support revenue		
Security	\$ 253,032	\$ 282,699
Equipment rental	199,599	201,264
Logistic and Staging	178,229	316,684
AV Technician	165,096	128,169
Sound	61,457	84,605
Custodial	65,324	70,176
Digital event services	30,228	117,041
Electrician	18,010	11,547
Utilities	<u>8,091</u>	<u>44,271</u>
	\$ 979,066	\$ 1,256,456