

Financial statements

Sankofa Square

December 31, 2025

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Management's Responsibility for the Financial Statements

The financial statements of Sankofa 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.



Gideon Arthurs
Chair, Sankofa Square Board of Management

April 27, 2026

Date



Samantha Summers
Treasurer, Sankofa Square Board of Management

April 27, 2026

Date

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 (the "Square"), which comprise the statement of financial position as at December 31, 2025, 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, 2025, 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 27, 2026

Chartered Professional Accountants
Licensed Public Accountants

Sankofa Square

Statement of Financial Position

December 31, 2025

2025

2024

Financial assets

Cash	\$ 131,137	\$ 297,936
Portfolio investment	35,000	-
Accounts receivable (Note 3)	312,717	667,760
Due from City of Toronto – operating deficit (Note 4)	88,405	-
Government remittances receivable	71,783	20,074
	<u>639,042</u>	<u>985,770</u>

Liabilities

Accounts payable and accrued liabilities	651,365	622,088
Due to City of Toronto – operating surplus (Note 4)	-	373,428
	<u>651,365</u>	<u>995,516</u>

Net debt

	<u>(12,323)</u>	<u>(9,746)</u>
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Non-financial assets

Prepaid expenses	12,320	9,743
Tangible capital assets (Note 5)	138,693	188,492
	<u>151,013</u>	<u>198,235</u>

Accumulated surplus

	<u>\$ 138,690</u>	<u>\$ 188,489</u>
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Commitments (Note 8)

Approved by the Board



Gideon Arthurs, Chair



Samantha Summers, Treasurer

See accompanying notes to the financial statements.

Sankofa Square

Statement of Operations

Year ended December 31, 2025

	2025 <u>Budget</u> (Note 10)	2025 <u>Total</u>	2024 <u>Total</u>
Revenue			
City of Toronto			
– Operating	\$ 1,496,942	\$1,496,942	\$ 1,509,920
– Renaming	57,500	92,397	185,826
– Capital signage changes	-	-	12,603
Event support revenue (Schedule A)	600,000	1,114,495	979,066
Signage (Note 3)	800,000	523,322	826,530
Rental income	250,000	241,277	299,968
Permit revenue	170,000	101,307	275,170
Corporate sponsorship and contributions	75,000	70,500	98,425
Other revenue	15,000	9,057	6,956
	<u>3,464,442</u>	<u>3,649,297</u>	<u>4,194,464</u>
Expenses (Note 9)			
Administration	1,281,824	2,024,899	1,630,075
Facilities management	1,786,467	1,222,442	1,219,714
Event management	450,000	913,588	1,040,317
	<u>3,518,291</u>	<u>4,160,929</u>	<u>3,890,106</u>
Operating (deficit) surplus	(53,849)	(511,632)	304,358
Net deficit receivable from (surplus payable to) the City of Toronto (Note 4)	-	461,833	(230,898)
Annual (deficit) surplus	(53,849)	(49,799)	73,460
Accumulated surplus, beginning of year	<u>188,489</u>	<u>188,489</u>	<u>115,029</u>
Accumulated surplus, end of year	<u>\$ 134,640</u>	<u>\$ 138,690</u>	<u>\$ 188,489</u>

See accompanying notes to the financial statements.

Sankofa Square

Statement of Changes in Net Debt

Year ended December 31, 2025

	2025 <u>Budget</u>	2025 <u>Total</u>	2024 <u>Total</u>
Annual (deficit) surplus	\$ (53,849)	\$ (49,799)	\$ 73,460
Acquisition of tangible capital assets	-	(4,050)	(112,588)
Amortization of tangible capital assets	53,849	53,849	39,128
Acquisition of prepaid expenses	<u>-</u>	<u>(2,577)</u>	<u>(134)</u>
Increase in net debt	-	(2,577)	(134)
Net debt, beginning of year	<u>(9,746)</u>	<u>(9,746)</u>	<u>(9,612)</u>
Net debt, end of year	\$ <u>(9,746)</u>	\$ <u>(12,323)</u>	\$ <u>(9,746)</u>

See accompanying notes to the financial statements.

Sankofa Square

Statement of Cash Flows

Year ended December 31

2025

2024

Cash flows from (used in) operating activities

Annual (deficit) surplus	\$ (49,799)	\$ 73,460
Amortization of tangible capital assets	<u>53,849</u>	<u>39,128</u>
	4,050	112,588

Non-cash charges to operations:

Accounts receivable	355,043	6,020
Government remittances receivable	(51,709)	9,200
Accounts payable and accrued liabilities	29,277	393,347
Due from/to City of Toronto – operating deficit/surplus	(461,833)	(837,072)
Prepaid expenses	<u>(2,577)</u>	<u>(134)</u>
	<u>(127,749)</u>	<u>(316,051)</u>

Capital activities

Purchase of tangible capital assets	<u>(4,050)</u>	<u>(112,588)</u>
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Investing activities

Purchase of portfolio investments	<u>(35,000)</u>	<u>-</u>
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Decrease in cash

(166,799)	(428,639)
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Cash, beginning of year

<u>297,936</u>	<u>726,575</u>
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Cash, end of year

<u>\$ 131,137</u>	<u>\$ 297,936</u>
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See accompanying notes to the financial statements.

Sankofa Square

Notes to the financial statements

December 31, 2025

1. Nature of operations

Sankofa 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, approved the change of name of the Yonge-Dundas 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, portfolio investment, 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

Notes to the financial statements

December 31, 2025

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. Accounts receivable

Accounts receivable includes \$200,491 (2024 - \$225,169) of the following sponsorship and signage activities.

	<u>2025</u>	<u>2024</u>
Sponsorship and signage receivable, beginning of year	\$ 225,169	\$ 278,944
Less: Signage revenue received	(500,000)	(520,336)
Add: Signage revenue recognized	499,322	491,140
Less: Signage recoveries recognized	<u>(24,000)</u>	<u>(24,579)</u>
Sponsorship and signage receivable, end of year	200,491	225,169
Other receivables	<u>112,226</u>	<u>442,591</u>
	<u>\$ 312,717</u>	<u>\$ 667,760</u>

Sankofa Square

Notes to the financial statements

December 31, 2025

4. Operating surplus due to the City of Toronto

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

	<u>2025</u>	<u>2024</u>
Balance payable, beginning of year	\$ 373,428	\$ 1,210,500
Current year's operating (deficit) surplus	(511,632)	304,358
Current year's tangible capital assets purchase	(4,050)	(112,588)
Current year's amortization	<u>53,849</u>	<u>39,128</u>
Net (receivable) payable (from) to the City of Toronto for the year	<u>(461,833)</u>	<u>230,898</u>
Paid during the current year	<u>-</u>	<u>(1,067,970)</u>
Balance (receivable) payable, end of year	<u>\$ (88,405)</u>	<u>\$ 373,428</u>

The due (from) to City of Toronto balance is comprised of.

	<u>2025</u>	<u>2024</u>
2020 surplus payable	\$ 142,530	\$ 142,530
2024 surplus payable	230,898	230,898
2025 deficit receivable	<u>(461,833)</u>	<u>-</u>
	<u>\$ (88,405)</u>	<u>\$ 373,428</u>

5. Tangible capital assets

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 73,358	\$ 67,606	\$ 5,752	\$ 11,633
Facilities equipment	292,405	264,282	28,123	39,637
Indoor furniture	29,788	29,460	328	-
Leasehold improvements	42,907	42,907	-	-
Outdoor furniture	106,618	80,798	25,820	37,918
Outdoor equipment	<u>239,283</u>	<u>160,613</u>	<u>78,670</u>	<u>99,304</u>
	<u>\$ 784,359</u>	<u>\$ 645,666</u>	<u>\$ 138,693</u>	<u>\$ 188,492</u>

Sankofa Square

Notes to the financial statements

December 31, 2025

6. 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 \$75,876 in 2025 (2024 - \$70,691).

The most recent actuarial valuation of the Plan as at December 31, 2025, indicates that the Plan is in a deficit position and the Plan's December 31, 2025, financial statements indicate a net deficit of \$6,127,000,000 (a deficit of \$1,322,00,000 plus adjustment of \$4,805,000,000 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.

7. 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.

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.

Sankofa Square

Notes to the financial statements

December 31, 2025

8. Commitments

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

2026	\$	36,649
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9. Expenditures by object

	<u>2025</u>	<u>2024</u>
Event support	\$ 913,588	\$ 968,828
Payroll (Note 6)	914,075	923,616
Administration	816,221	365,396
Maintenance	665,176	617,325
Security	557,266	673,878
Marketing	240,754	301,935
Amortization	<u>53,849</u>	<u>39,128</u>
	<u>\$ 4,160,929</u>	<u>\$ 3,890,106</u>

10. Budget Reconciliation

	<u>2025</u>
Budgeted annual surplus	\$ -
Amortization Expense	<u>(53,849)</u>
Budgeted deficit per statement of operations	<u>\$ (53,849)</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.

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.

Sankofa Square

Notes to the financial statements

December 31, 2025

11. Financial instruments (continued)

Credit risk (continued)

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.

	<u>Within</u> <u>1 year</u>	<u>1 to 2</u> <u>years</u>	<u>2 to 5</u> <u>years</u>	<u>Over 5</u> <u>years</u>	<u>Total</u>
Accounts payable and accrued liabilities	\$ 651,365	\$ -	\$ -	\$ -	\$ 651,365

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, 2025

	<u>2025</u>	<u>2024</u>
Event support revenue		
Security	\$ 349,177	\$ 253,032
Equipment rental	229,798	199,599
AV technician	220,575	165,096
Logistic and staging	171,330	178,229
Custodial	82,788	65,324
Digital event services	35,577	30,228
Electrician	25,250	18,010
Sound	-	61,457
Utilities	-	8,091
	<u>\$ 1,114,495</u>	<u>\$ 979,066</u>