



Financial Statements

**Heritage Toronto**

December 31, 2007

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Grant Thornton

## Auditors' Report

To the Board of Directors of  
**Heritage Toronto**

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We have audited the balance sheet of **Heritage Toronto** as at December 31, 2007 and the statements of revenue and expenditures and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from donations and promotional events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and promotional events referred to above, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Markham, Canada  
April 1, 2008

Chartered Accountants  
Licensed Public Accountants

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**Heritage Toronto****Statement of Revenue and Expenditures and Fund Balance – Operating Fund**Year Ended December 31

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	<u>City Funded</u>	<u>Other Programs</u>	<u>Total 2007</u>	<u>Total 2006</u>
<b>Revenue</b>				
Grants – City of Toronto	\$ 369,850	\$ -	\$ 369,850	\$ 340,162
Donations-in-kind	-	20,866	20,866	107,752
Donations	-	16,940	16,940	21,501
Memberships	-	18,445	18,445	19,310
Corporate sponsored event revenue	-	64,432	64,432	66,695
Meeting revenue	-	11,340	11,340	8,555
Program revenue	-	65,537	65,537	31,670
Other income	-	5,642	5,642	4,119
	<u>369,850</u>	<u>203,202</u>	<u>573,052</u>	<u>599,764</u>
<b>Expenditures</b>				
Amortization	-	-	-	3,370
Administration	42,502	-	42,502	42,941
Communication	-	15,226	15,226	252
Program expenses	33,285	87,210	120,495	200,798
Wages and benefits	395,178	-	395,178	374,227
	<u>470,965</u>	<u>102,436</u>	<u>573,401</u>	<u>621,588</u>
	(101,115)	100,766	(349)	(21,824)
Board approved transfers from Board Designated Funds	-	-	-	17,989
<b>Excess (deficiency) of revenue over expenditures</b>	\$ <u>(101,115)</u>	\$ <u>100,766</u>	\$ <u>(349)</u>	\$ <u>(3,835)</u>
Operating fund balance, beginning of year			\$ (5,675)	\$ (1,840)
Deficiency of revenue over expenditures			<u>(349)</u>	<u>(3,835)</u>
Operating fund balance, end of year			\$ <u>(6,024)</u>	\$ <u>(5,675)</u>

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See accompanying notes to the financial statements.

# Heritage Toronto

## Balance Sheet

December 31

2007

2006

### Assets

#### Current

Cash and cash equivalents	\$ 242,574	\$ 153,437
Receivables	6,438	23,346
Prepays	<u>6,500</u>	<u>5,254</u>
	255,512	182,037

Cash – Agency funds	<u>66,612</u>	<u>71,912</u>
	<u>\$ 322,124</u>	<u>\$ 253,949</u>

### Liabilities

#### Current

Payables and accruals	\$ 28,200	\$ 12,567
Deferred revenue	<u>54,050</u>	<u>16,900</u>
	82,250	29,467

Separate Agency Funds	<u>66,612</u>	<u>71,912</u>
	<u>148,862</u>	<u>101,379</u>

### Fund Balances (Note 4)

#### Restricted

Board designated funds (Page 8)	141,995	120,239
Externally restricted funds (Page 9)	37,291	38,006

#### Unrestricted

Operating fund	<u>(6,024)</u>	<u>(5,675)</u>
	<u>173,262</u>	<u>152,570</u>
	<u>\$ 322,124</u>	<u>\$ 253,949</u>

Commitments (Note 7)

On behalf of the Board

\_\_\_\_\_ Director \_\_\_\_\_ Director

See accompanying notes to the financial statements.

# Heritage Toronto

## Statement of Cash Flows

December 31

2007

2006

Increase (decrease) in cash and cash equivalents

### Operating

Excess (deficiency) of revenue over expenditures:

Operating Fund	\$ (349)	\$ (3,835)
Board Designated Fund (Page 8)	21,756	80,689
Externally Restricted Fund (Page 9)	(715)	(6,512)
Amortization	-	3,370
Deferred revenue	<u>37,150</u>	<u>300</u>
	<b>57,842</b>	<b>74,012</b>

Changes in non-cash working capital

Receivables	16,908	(16,310)
Prepaid expenses	(1,246)	(2,310)
Payables and accruals	15,633	1,181
Separate Agency Funds	-	<u>2,449</u>
	<u>89,137</u>	<u>59,022</u>

### Financing

Fund transferred from (to) Board Restricted Funds	-	(6,576)
Fund transferred from (to) Externally Restricted Funds	-	<u>(338)</u>
	-	<u>(6,914)</u>

Net increase in cash and cash equivalents	<b>89,137</b>	52,108
Cash and cash equivalents, beginning of year	<u>153,437</u>	<u>101,329</u>
Cash and cash equivalents, end of year	<b>\$ <u>242,574</u></b>	<b>\$ <u>153,437</u></b>

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# Heritage Toronto

## Notes to the Financial Statements

December 31, 2007

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### 1. Basis of presentation and financial reorganization

Heritage Toronto (the "Organization") is responsible for the general promotion and directives relating to heritage issues; to assist in the management of fundraising drives for the Toronto Museum Board, the Toronto Preservation Board and Museum Management Boards; to have a stewardship role over donated funds; and to carry out general duties as related to the City of Toronto's (the "City") history and development. Except for any funds received from private donors, the Organization is to pay any net revenue to the City. The Organization is a charitable organization and, as such, is permitted to issue receipts for income tax purposes in return for donations and is not subject to income taxes under the Income Tax Act (Canada).

In 2000, the Organization was reorganized by virtue of three City by-laws, two of which dealt with the establishment of two new boards, the Toronto Museum Board and the Toronto Preservation Board, in addition to the continuation of the Organization. As a result of this reorganization, the Organization's assets, liabilities and fund balances related to the two new boards of \$1,094,760 were assumed by the City.

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### 2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the accounting policies summarized below:

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the restricted fund in the year received.

At year end, certain plaques were work-in-progress and thus related revenue has been deferred until completed.

#### Contributed materials and services

Contributed materials and services are recognized in these financial statements when the amounts are reasonably determinable based on estimated fair market value.

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# Heritage Toronto

## Notes to the Financial Statements

December 31, 2007

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### 3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2007 Net Carrying Value</u>	<u>2006 Net Carrying Value</u>
Office furniture	\$ 4,992	\$ 4,992	\$ -	\$ -
Computer equipment and software	16,014	16,014	-	-
Office equipment	<u>6,019</u>	<u>6,019</u>	<u>-</u>	<u>-</u>
	\$ <u>27,025</u>	\$ <u>27,025</u>	\$ <u>-</u>	\$ <u>-</u>

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### 4. Fund balances

Board designated funds reflect the revenue and expenses of those Funds restricted by the Board for specific purposes and are summarized on Page 8.

Externally restricted funds reflect the revenue and expenses in those Funds in partnership with a non-related third party. The use of these funds has been restricted by third parties and may only be used for the purposes specified. These funds are summarized on Page 9.

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### 5. Employee benefits

The Organization makes contributions to the Ontario Municipal Employees' Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of staff. 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.

During the year, contributions were \$17,490 (2006 - \$21,600)

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### 6. Plaque Program Fund

The Plaque Program Fund includes the Plaque Maintenance Fund of \$14,300. This consists of transfers of 10% of the gross plaque revenue.



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# Heritage Toronto

## Notes to the Financial Statements

December 31, 2007

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### 7. Commitments

The Organization has entered into lease commitments for office equipments, which expire in 2009. The minimum lease payments are as follows:

2008	\$	3,600
2009		2,600

The Organization has entered into an agreement with a website design company to enhance the Organization's current website. The contract commenced in 2007. The total contract price is \$25,000 of which \$15,000 was expensed in 2007 for work completed to December 31, 2007.

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# Heritage Toronto

## Statement of Revenue and Expenditures and Fund Balance

### Board Designated Funds

Year Ended December 31

	Built Heritage Awareness Fund	Heritage Education Program Fund	Community Heritage Research & Grant Fund	Plaque Program Fund (Note 6)	2007 Total	2006 Total
<b>Revenue</b>						
Donations	\$ 8,684	\$ 4,934	\$ 1,735	\$ 12,403	\$ 27,756	\$ 80,689
<b>Expenses</b>						
Program expenses	-	-	1,500	4,500	6,000	-
Net revenue (expenditure)	\$ 8,684	\$ 4,934	\$ 235	\$ 7,903	\$ 21,756	\$ 80,689
<b>Fund balance</b>						
Beginning of year	\$ 16,250	\$ 11,875	\$ 27,368	\$ 64,746	\$ 120,239	\$ 46,126
Net revenue (expenditures)	8,684	4,934	235	7,903	21,756	80,689
Transfers						
In	-	-	-	-	-	11,413
Out	-	-	-	-	-	(17,989)
End of year	\$ 24,934	\$ 16,809	\$ 27,603	\$ 72,649	\$ 141,995	\$ 120,239

# Heritage Toronto

## Statement of Revenue and Expenditures and Fund Balance

### Externally Restricted Funds

Year Ended December 31

	<u>Other Designated Fund</u>	<u>City Museum Activities Fund</u>	<u>Museum Site Preservation Fund</u>	<u>Museum Exhibit Development Fund</u>	<u>2007 Total</u>	<u>2006 Total</u>
<b>Revenue</b>						
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenses</b>						
Program expenses	-	-	715	-	715	6,512
Net revenue (expenditures)	\$ -	\$ -	\$ (715)	\$ -	\$ (715)	\$ (6,512)
<b>Fund balance</b>						
Beginning of year	\$ 7,954	\$ 6,514	\$ 17,410	\$ 6,128	\$ 38,006	\$ 44,856
Net revenue (expenditures)	-	-	(715)	-	(715)	(6,512)
Transfers	-	-	-	-	-	(338)
End of year	\$ 7,954	\$ 6,514	\$ 16,695	\$ 6,128	\$ 37,291	\$ 38,006