



Financial Statements

**Heritage Toronto**

December 31, 2008

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Grant Thornton

## Auditors' Report

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To the Board of Directors of

### Heritage Toronto

We have audited the balance sheet of **Heritage Toronto** as at December 31, 2008 and the statements of revenue and expenditures and operating fund 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, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Markham, Ontario  
May 1, 2009

Chartered Accountants  
Licensed Public Accountants

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**Heritage Toronto****Statement of Revenue and Expenditures and  
Operating Fund**Year Ended December 31, 2008

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	City Funded	Other Programs	Total 2008	Total 2007
<b>Revenue</b>				
Grants - City of Toronto	\$ 389,800	\$ -	\$ 389,800	\$ 369,850
Donations-in-kind	-	-	-	20,866
Donations	-	18,680	18,680	16,940
Memberships	-	18,785	18,785	18,445
Corporate sponsorship	-	114,155	114,155	64,432
Ticket Sales	-	12,230	12,230	11,340
Plaque revenue	-	59,085	59,085	65,537
Other income	-	7,010	7,010	5,642
	<u>389,800</u>	<u>229,945</u>	<u>619,745</u>	<u>573,052</u>
<b>Expenditures</b>				
Administration	37,505	-	37,505	42,502
Communication	-	11,581	11,581	15,226
Program expenses	39,212	78,644	117,856	120,495
Wages and benefits	<u>453,154</u>	<u>-</u>	<u>453,154</u>	<u>395,178</u>
	<u>529,871</u>	<u>90,225</u>	<u>620,096</u>	<u>573,401</u>
<b>Excess (deficiency) of revenue over expenditures</b>	\$ <u>(140,071)</u>	\$ <u>139,720</u>	\$ <u>(351)</u>	\$ <u>(349)</u>
<hr/>				
Operating fund deficiency, beginning of year			\$ (6,024)	\$ (5,675)
Deficiency of revenue over expenditures			<u>(351)</u>	<u>(349)</u>
Operating fund deficiency, end of year			\$ <u>(6,375)</u>	\$ <u>(6,024)</u>

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See accompanying notes to the financial statements.

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## Heritage Toronto

### Balance Sheet

December 31

2008

2007

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#### Assets

##### Current

Cash and cash equivalents	\$ 240,358	\$ 242,574
Receivables	13,048	6,438
Prepays	<u>8,773</u>	<u>6,500</u>
	262,179	255,512

Cash - agency funds	<u>49,911</u>	<u>66,612</u>
	\$ <u>312,090</u>	\$ <u>322,124</u>

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#### Liabilities

##### Current

Payables and accruals	\$ 23,734	\$ 28,200
Deferred revenue	<u>41,900</u>	<u>54,050</u>
	65,634	82,250

Separate Agency Funds	<u>49,911</u>	<u>66,612</u>
	<u>115,545</u>	<u>148,862</u>

#### Fund Balances (Note 4)

##### Restricted

Board designated funds (Page 7)	165,629	141,995
Externally restricted funds (Page 8)	37,291	37,291

##### Unrestricted

Operating fund (deficiency)	<u>(6,375)</u>	<u>(6,024)</u>
	<u>196,545</u>	<u>173,262</u>

\$ <u>312,090</u>	\$ <u>322,124</u>
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Commitments (Note 7)

On behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See accompanying notes to the financial statements.

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## Heritage Toronto

### Statement of Cash Flows

Year Ended December 31

2008

2007

Increase (decrease) in cash and cash equivalents

#### Operating activities

Excess (deficiency) of revenue over expenditures

Operating Fund	\$ (351)	\$ (349)
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Board Designated Fund (Page 7)	23,634	21,756
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Externally Restricted Fund (Page 8)	-	(715)
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Deferred revenue	<u>(12,150)</u>	<u>37,150</u>
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	11,133	57,842
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Changes in non-cash operating working capital

Receivables	(6,610)	16,908
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Prepaid expenses	(2,273)	(1,246)
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Payables and accruals	<u>(4,466)</u>	<u>15,633</u>
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	<u>(2,216)</u>	<u>89,137</u>
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Net (decrease) increase in cash and cash equivalents	(2,216)	89,137
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Cash and cash equivalents, beginning of year	<u>242,574</u>	<u>153,437</u>
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Cash and cash equivalents, end of year	\$ <u>240,358</u>	\$ <u>242,574</u>
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See accompanying notes to the financial statements.

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# Heritage Toronto

## Notes to the Financial Statements

December 31, 2008

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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, 2008

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3. Capital assets			<u>2008</u>	<u>2007</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book 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 7.

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 8.

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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 \$19,113 (2007 - \$17,490).

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#### 6. Plaque Program Fund

The Plaque Program Fund includes the Plaque Maintenance Fund of \$20,862. This consists of transfers of 10% of the gross plaque revenue.

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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:

2009	\$ 2,600
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#### 8. Financial instruments

The Organization's estimate of the fair value of financial instruments included in current assets and current liabilities approximates their carrying value.



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## Heritage Toronto

### Statement of Revenue and Expenditures and Fund Balance

#### Board Designated Funds

Year Ended December 31, 2008

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	<u>Built Heritage Awareness Fund</u>	<u>Heritage Education Program Fund</u>	<u>Community Heritage Research &amp; Grant Fund</u>	<u>Heritage Innovation</u>	<u>Plaque Program Fund</u> (Note 6)	<u>2008 Total</u>	<u>2007 Total</u>
Revenue							
Donations	\$ 8,915	\$ 11,589	\$ 120	\$ 1,670	\$ 5,740	\$ 28,034	\$ 27,756
Expenses							
Program expenses	<u>2,500</u>	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>4,400</u>	<u>6,000</u>
Net revenue (expenditure)	\$ <u>6,415</u>	\$ <u>11,589</u>	\$ <u>(1,780)</u>	\$ <u>1,670</u>	\$ <u>5,740</u>	\$ <u>23,634</u>	\$ <u>21,756</u>
Fund balance							
Beginning of year	\$ 24,934	\$ 16,809	\$ 27,603	\$ -	\$ 72,649	\$ 141,995	\$ 120,239
Net revenue (expenditures)	<u>6,415</u>	<u>11,589</u>	<u>(1,780)</u>	<u>1,670</u>	<u>5,740</u>	<u>23,634</u>	<u>21,756</u>
End of year	\$ <u>31,349</u>	\$ <u>28,398</u>	\$ <u>25,823</u>	\$ <u>1,670</u>	\$ <u>78,389</u>	\$ <u>165,629</u>	\$ <u>141,995</u>

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**Heritage Toronto****Statement of Revenue and Expenditures and Fund Balance  
Externally Restricted Funds**Year Ended December 31, 2008

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	<u>Other Designated Fund</u>	<u>City Museum Activities Fund</u>	<u>Museum Site Preservation Fund</u>	<u>Museum Exhibit Development Fund</u>	<u>2008 Total</u>	<u>2007 Total</u>
Revenue						
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses						
Program expenses	-	-	-	-	-	715
Net revenue (expenditures)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (715)
Fund balance						
Beginning of year	\$ 7,954	\$ 6,514	\$ 16,695	\$ 6,128	\$ 37,291	\$ 38,006
Net revenue (expenditures)	-	-	-	-	-	(715)
Transfers	-	-	-	-	-	-
End of year	\$ <u>7,954</u>	\$ <u>6,514</u>	\$ <u>16,695</u>	\$ <u>6,128</u>	\$ <u>37,291</u>	\$ <u>37,291</u>

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