



Financial Statements

Heritage Toronto

December 31, 2009

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Grant Thornton

Auditors' Report

To the Board of Directors of
Heritage Toronto

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We have audited the statement of financial position of **Heritage Toronto** as at December 31, 2009 and the statements of operations 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, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Toronto, Ontario
May 19, 2010

Chartered Accountants
Licensed Public Accountants

Heritage Toronto

Statement of Operations and Operating Fund

Year Ended December 31, 2009

	City Funded	Other Programs	Total 2009	Total 2008
Revenue				
Grants - City of Toronto	\$ 385,000	\$ -	\$ 385,000	\$ 389,800
Donations-in-kind	-	-	-	-
Donations	-	34,377	34,377	18,680
Memberships	-	19,350	19,350	18,785
Corporate sponsorship	-	128,021	128,021	114,155
Ticket Sales	-	21,380	21,380	12,230
Plaque revenue	-	69,005	69,005	59,085
Other income	-	9,175	9,175	7,010
	<u>385,000</u>	<u>281,308</u>	<u>666,308</u>	<u>619,745</u>
Expenditures				
Administration	35,315	-	35,315	37,505
Communication	-	4,866	4,866	11,581
Program expenses	-	143,766	143,766	117,856
Wages and benefits	483,076	-	483,076	453,154
	<u>518,391</u>	<u>148,632</u>	<u>667,023</u>	<u>620,096</u>
Excess (deficiency) of revenue over expenditures	\$ <u>(133,391)</u>	\$ <u>132,676</u>	\$ <u>(715)</u>	\$ <u>(351)</u>
<hr/>				
Operating fund deficiency, beginning of year			\$ (6,375)	\$ (6,024)
Deficiency of revenue over expenditures			<u>(715)</u>	<u>(351)</u>
Operating fund deficiency, end of year			\$ <u>(7,090)</u>	\$ <u>(6,375)</u>

See accompanying notes to the financial statements.

Heritage Toronto
Statement of Financial Position

December 31 2009 2008

Assets

Current

Cash and cash equivalents	\$ 359,363	\$ 240,358
Receivables	21,571	13,048
Prepays	<u>8,406</u>	<u>8,773</u>
	389,340	262,179

Cash - agency funds	<u>29,160</u>	<u>49,911</u>
	<u>\$ 418,500</u>	<u>\$ 312,090</u>

Liabilities

Current

Payables and accruals	\$ 43,490	\$ 23,734
Deferred revenue	<u>112,179</u>	<u>41,900</u>
	155,669	65,634

Separate Agency Funds	<u>29,160</u>	<u>49,911</u>
	<u>184,829</u>	<u>115,545</u>

Fund Balances (Note 4)

Restricted

Board designated funds (Page 7)	203,470	165,629
Externally restricted funds (Page 8)	37,291	37,291

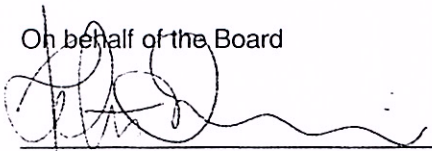
Unrestricted

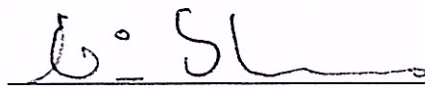
Operating fund deficiency	<u>(7,090)</u>	<u>(6,375)</u>
	<u>233,671</u>	<u>196,545</u>

	<u>\$ 418,500</u>	<u>\$ 312,090</u>
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Commitments (Note 7)

On behalf of the Board

 Director

 Director

See accompanying notes to the financial statements.

Heritage Toronto

Statement of Cash Flows

Year Ended December 31

2009

2008

Increase in cash and cash equivalents

Operating activities

Excess (deficiency) of revenue over expenditures

Operating Fund	\$ (715)	\$ (351)
Board Designated Fund (Page 7)	37,841	23,634
Deferred revenue	<u>70,190</u>	<u>(12,150)</u>
	107,316	11,133

Changes in non-cash operating working capital

Receivables	(8,523)	(6,610)
Prepaid expenses	367	(2,273)
Payables and accruals	<u>19,755</u>	<u>(4,466)</u>
	<u>11,599</u>	<u>(2,216)</u>

Net increase in cash and cash equivalents

118,915 (2,216)

Cash and cash equivalents, beginning of year

240,358 242,574

Cash and cash equivalents, end of year

\$ 359,273 \$ 240,358

See accompanying notes to the financial statements.

Heritage Toronto

Notes to the Financial Statements

December 31, 2009

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.

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.