

PETERBOROUGH HISTORICAL SOCIETY

UNAUDITED FINANCIAL STATEMENTS

AT DECEMBER 31, 2021

PETERBOROUGH HISTORICAL SOCIETY

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Tim J.F. Nicholls
Chartered Professional Accountant

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**To the Board of Directors of the
Peterborough Historical Society**

I have reviewed the accompanying financial statements of the Peterborough Historical Society, that comprise the statement of financial position as at December 31, 2021 and the statements of equity in capital assets, operating fund revenue and expenditures and fund balance, Hutchison House operating fund revenue and expenditures and fund balance, Hutchinson House Trust Funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Practitioner's Responsibility

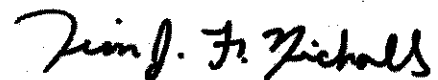
My responsibility is to express a conclusion on the accompanying financial statements based upon my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which requires me to comply with relevant ethical standards.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based upon my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Peterborough Historical Society as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Peterborough, Ontario
April 13, 2022

Tim J.F. Nicholls CPA
Licensed Public Accountant

PETERBOROUGH HISTORICAL SOCIETY

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**UNAUDITED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021**

	2021 \$	2020 \$
ASSETS		
Current		
Cash	147,121	130,504
Term deposits - Note 3	12,821	12,572
Accounts receivable - Note 4	18,979	12,440
Inventory	7,896	7,892
Prepaid expenses	6,611	3,200
	193,428	166,608
Capital		
Land	1	1
Hutchison House	271,513	271,513
Garden shed and building additions	36,688	13,951
Furniture, furnishings and costumes	72,706	72,706
	380,908	358,171
The Hutchison House Trust Funds		
Cash	97,365	91,945
Term deposits - Note 5	215,000	221,000
Mutual fund - Note 5	54,746	48,555
Cash value of insurance	1,394	1,374
	368,505	362,874
Total Assets	942,841	887,653
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued liabilities - Note 7	7,911	13,041
	7,911	13,041
Fund Balances		
Society operating fund	53,792	55,056
Hutchison House operating fund	131,725	98,511
Equity in capital assets	380,908	358,171
Hutchison House Trust funds	368,505	362,874
	934,930	874,612
Total Liabilities and Fund Balances	942,841	887,653

Approved on behalf of the Board:

The accompanying notes are an integral part of the financial statements.

UNAUDITED STATEMENT OF EQUITY IN CAPITAL ASSETS
For The Year Ended December 31, 2021

	2021	2020
	\$	\$
Balance, beginning of year	358,171	358,171
Add: Funds expended, Hutchison House acquisitions	22,737	-
Balance, end of year	380,908	358,171

The accompanying notes are an integral part of the financial statements.

PETERBOROUGH HISTORICAL SOCIETY**UNAUDITED STATEMENT OF HUTCHISON HOUSE TRUST FUNDS
For The Year Ended December 31, 2021**

	2021	2020
	\$	\$
Balance, beginning of year	362,874	361,169
Add: Bequests and donations	1,485	1,603
Investment income	7,456	7,655
Unrealized gain on mutual fund investments	4,146	102
Balance before transfers	375,961	370,529
Transfer to Hutchison House operating fund for investment income earned	(7,456)	(7,655)
Balance, end of year	368,505	362,874

The balance consists of:

	2021	2020
	\$	\$
Hutchison House Endowment Fund	279,428	275,263
Hutchison House Maintenance Fund	89,077	87,611
Balance, end of year	368,505	362,874

The accompanying notes are an integral part of the financial statements.

UNAUDITED STATEMENT OF OPERATING FUND REVENUE AND EXPENDITURES AND FUND BALANCE
For The Year Ended December 31, 2021

	2021 \$	2020 \$
Revenue		
Membership fees	4,309	4,339
Grants - Ministry of Tourism, Culture and Recreation	1,545	1,545
Grant - Community Foundation For Greater Peterborough	-	10,000
Publications	470	545
Interest	263	243
Bingo	7,318	7,911
Donations and bequests	4,903	5,583
	18,808	30,166
Expenditures		
Printing and stationery	336	590
Occasional papers	470	945
Postage	570	982
Meetings	-	367
Legal and accounting fees	1,298	1,273
Secretary-treasurer	4,922	4,048
Heritage awards	221	50
Other	4,553	6,590
	12,370	14,845
Excess of Operating Revenue Over Expenditures	6,438	15,321
Other Fundraising Activities		
Revenue	-	889
Expenditures	-	-
	-	889
Excess of Revenue Over Expenditures For The Year	6,438	16,210
Operating Fund Balance, beginning of year	55,056	48,371
Fund Transfer		
Transfer from/(to) Hutchison House	(7,702)	(9,525)
Operating Fund Balance, end of year	53,792	55,056

The accompanying notes are an integral part of the financial statements.

PETERBOROUGH HISTORICAL SOCIETY
**UNAUDITED STATEMENT OF HUTCHISON HOUSE OPERATING FUND
 REVENUE AND EXPENDITURES AND FUND BALANCE
 For The Year Ended December 31, 2021**

	2021 \$	2020 \$
Revenue		
Grants		
City of Peterborough	43,344	43,344
Ministry of Culture - operating	15,090	15,090
Young Canada Works	10,551	15,424
Human Resources Canada - Canada Summer Jobs/Summer Experience	3,876	3,658
Heritage Canada - Museum Assistance Program	13,352	13,352
Government of Canada wage subsidy	19,637	29,021
Other government assistance	26,840	-
Admissions	868	845
Fundraising	19,282	12,757
Donations - Friends of Hutchison House	6,080	3,340
- other	640	3,524
Book shop sales	721	592
Interest	346	59
	160,627	141,006
Expenditures		
Salaries, honourarium and benefits	54,899	62,441
Young Canada Works wages	11,615	14,693
Canada Summer Jobs/Summer Experience program wages	4,336	3,938
Administration	28,454	24,362
Maintenance	13,562	11,653
Curatorial	1,035	252
Advertising and publicity	1,359	728
Fundraising	4,208	2,641
Book shop purchases	242	220
Other	124	329
	119,834	121,257
Excess of Revenue Over Expenditures For The Year	40,793	19,749
Operating Fund Balance, beginning of year	98,511	61,582
Fund Transfers		
Transfer from/(to) Peterborough Historical Society	7,702	9,525
Transfer of Trust Fund interest	7,456	7,655
Transfer to Equity In Capital Assets	(22,737)	-
Operating Fund Balance, end of year	131,725	98,511

The accompanying notes are an integral part of the financial statements.

UNAUDITED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
Operating Activities		
Excess of revenue over expenditures for the year		
Peterborough Historical Society - Operating Fund	6,438	16,210
Hutchison House - Operating Fund	40,793	19,749
Transfers		
Transfers from/(to) Hutchison House Trust Funds	7,456	7,655
Changes in non-cash working capital accounts		
Term deposit	(249)	(6,225)
Accounts receivable	(6,539)	(9,498)
Inventory	(4)	169
Prepaid expense	(3,411)	6,339
Accounts payable and accrued liabilities	(5,130)	5,655
	39,354	40,054
Investing Activity		
Purchase of capital assets	(22,737)	-
	(22,737)	-
Increase In Cash During The Year	16,617	40,054
Cash, Beginning of Year	130,504	90,450
Cash, End of Year	147,121	130,504

The accompanying notes are an integral part of the financial statements.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For The Year Ended December 31, 2021

NOTE 1: PURPOSE OF ORGANIZATION

The Peterborough Historical Society is a not-for-profit, charitable organization incorporated in 1977. The Society plays a leading role in preserving and promoting Peterborough's rich architectural and cultural history. The Society owns and operates the Hutchison House Living Museum which is open to the public to offer a glimpse of local pioneer life in the nineteenth century.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFP").

Fund Accounting

The Society uses the deferral method of accounting and reports on a fund accounting basis. The funds maintained are the operating fund, the Hutchison House operating fund and the Hutchison House Trust Funds.

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Society, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. These funds are classified as follows:

- (i) Operating fund - includes results of day-to-day administrative and operating transactions and the unrestricted revenue that finances these expenses;
- (ii) Hutchison House operating fund - includes results of day-to-day administrative and operating transactions related to the Hutchison House Living Museum and the restricted and unrestricted revenue that finances these expenses; and
- (iii) Hutchison House Trust Funds

The Hutchison House Trust Funds are under the control of five independent trustees. The duties and powers of the trustees are principally:

"to solicit, collect and receive monies by way of donations, bequests and otherwise, and maintain two separate funds, to be invested in those investments permitted to trustees under the law of the Province of Ontario, as of January 31, 1998, each fund to be held and paid as follows:

A. Endowment Fund

- i) a) funds specifically designated by the donor as an endowment, the use being restricted to income or interest only;
- b) all "in memorium" gifts undesignated as to use;
- c) undesignated funds received by the Society and turned over to the Trustees with the directions from the Society that the funds be held as part of the Endowment Fund.
- ii) The interest earned on the Endowment Fund shall be paid annually in January of each year to the Society for the restoration, maintenance and operation of Hutchison House.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For The Year Ended December 31, 2021

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fund Accounting (Continued)

B. Maintenance Fund

- i) a) funds specifically designated by the donor to be used without restriction as to principal and interest; and
b) all undesignated funds, other than those which the Society has directed to be held as part of the Endowment Fund.
- ii) The interest, and so much of the capital of the Maintenance Fund as the Board of Directors of the Society shall by motion determine, shall be paid each year to the Society to be used for the restoration, maintenance and operation of Hutchison House and for specific capital projects related to Hutchison House."

Inventory

Inventory is valued at the lower of cost, determined on a specific purchase basis, and market.

Investments

The Society has an investment in a mutual fund which was initially recognized and subsequently measured at fair value without adjustment for transaction costs that might occur at disposal. Transaction costs associated with the acquisition of this type of investment will be recognized in expenditures in the period incurred.

The cash surrender value of the life insurance policies is not within the scope of financial instruments under Canadian accounting standards for not-for-profit organizations. The cash surrender value of life insurance is adjusted annually at the cash surrender amount and the change is recorded in the statement of operations.

Capital Assets

The Society owns the land at 270 Brock Street, Peterborough, Ontario where Hutchison House is situated. The land was donated to the Society and is recorded at the nominal value of \$1.

The Hutchison House property was donated to the Society, along with the land described above. On October 27, 1977 the replacement cost, after restoration, was appraised at \$228,000. Due to the donation of the original property and the subsequent restoration, the appraised value was used as the basis of valuation at June 30, 1978 and became the cost value recorded at that time. Capital expenditures on the House after this date are recorded at cost.

Furniture, furnishings and costumes, which are mostly historical artifacts, are recorded at cost, if purchased, and at appraised value, if donated.

Capital assets are not amortized.

Use of Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For The Year Ended December 31, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Realization of Revenues and Expenses

Event contributions are recognized as revenue at the time of the event. General grant and donation contributions are recorded as revenue when received. Special purpose grant and donation contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted and unrestricted investment income is recognized as revenue when earned in the appropriate fund.

Income Taxes

The Society qualifies as a non-profit organization as defined by the Federal and Ontario Income Tax Acts, and, as such, is not subject to Federal and Provincial income taxes.

Donated Services

No amounts have been recorded in the current year financial statements for donated services.

NOTE 3: TERM DEPOSITS

The term deposits consisted of two guaranteed investment certificates with a total cost of \$12,821 (2020 - \$12,571), bearing interest at 0.55% (2020 - 2.1%) and maturing in 2022 (2020 - 2021).

NOTE 4: ACCOUNTS RECEIVABLE

The accounts receivable is shown net of an allowance for doubtful accounts of \$nil (2020 - \$nil).

NOTE 5: HUTCHISON HOUSE TRUST FUND INVESTMENTS

The term deposits consist of guaranteed investment certificates issues by various financial institutions. The maturity dates are between 2022 and 2026 (2020 - 2021 and 2025). The certificates bear interest between 1.80% and 3.25% (2020 - 1.80% to 3.25%) per annum.

The mutual fund investment includes a Bank of Montreal Monthly Dividend Fund and a Bank of Montreal Income Fund. The mutual funds have a cost of \$61,713 at December 31, 2021 (2020 - \$59,668).

NOTE 6: LINE OF CREDIT

The Society has a \$5,700 line of credit, however, there was no outstanding balance at December 31, 2021 (2020 - \$nil).

NOTE 7: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities includes payroll and sales tax remittances of \$976 (2020 - \$1,014).

NOTE 8: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Society's cash requirements. Additional cash requirements are met with the use of the available line of credit.

PETERBOROUGH HISTORICAL SOCIETY**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For The Year Ended December 31, 2021**

NOTE 9: COMPARATIVE BALANCES

Certain comparative balances have been reclassified to conform to the presentation adopted in the current year.

NOTE 10: SUBSEQUENT EVENT

On March 11, 2020 the World Health Organization declared the COVID-19 virus outbreak a pandemic and since then over 200 countries have reported cases including Canada. In many countries, organizations have been impacted in a variety of ways ranging from an impairment in the ability to conduct their operations to total business shutdowns.

As mandated by the provincial government, the Society ceased operations in the middle of March 2020. Staff resumed operations in June, however Hutchison House did not open to the public until July 15 with limited activities and programming. The Society has implemented enhanced protocols to ensure the safety of its staff and visitors. The effect of additional operating costs related to the safety of staff and visitors will be reflected in the Statement of Operations in the period when the costs are incurred.