

PETERBOROUGH HISTORICAL SOCIETY

UNAUDITED FINANCIAL STATEMENTS

AT DECEMBER 31, 2019

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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, 2019 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

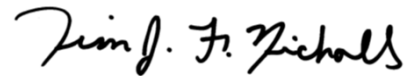
My responsibility is to express a conclusion on the accompanying financial statements based upon my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which requires me to comply with relevant ethical standards.

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, 2019, 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 29, 2020

Tim J.F. Nicholls CPA, CA
Licensed Public Accountant

PETERBOROUGH HISTORICAL SOCIETY

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	2019	2018
	\$	\$
ASSETS		
Current		
Cash	90,450	88,503
Term deposit - Note 3	6,347	6,231
Accounts receivable - Note 4	2,942	1,032
Inventory	8,061	8,458
Prepaid expenses	9,539	9,014
	117,339	113,238
Capital		
Land	1	1
Hutchison House	271,513	260,330
Garden shed	13,951	13,951
Furniture, furnishings and costumes	72,706	72,706
	358,171	346,988
The Hutchison House Trust Funds		
Cash	92,227	85,328
Term deposits - Note 5	221,000	229,000
Mutual fund - Note 5	46,590	44,177
Cash value of insurance	1,352	1,331
	361,169	359,836
Total Assets	836,679	820,062
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued liabilities - Note 7	7,386	7,218
Deferred contributions	-	255
	7,386	7,473
Fund Balances		
Society operating fund	48,371	49,023
Hutchison House operating fund	61,582	56,742
Equity in capital assets	358,171	346,988
Hutchison House Trust funds	361,169	359,836
	829,293	812,589
Total Liabilities and Fund Balances	836,679	820,062

Approved on behalf of the Board:

UNAUDITED STATEMENT OF EQUITY IN CAPITAL ASSETS
For The Year Ended December 31, 2019

	2019	2018
	\$	\$
Balance, beginning of year	346,988	346,988
Add: Funds expended, Hutchison House acquisitions	11,183	-
Balance, end of year	358,171	346,988

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, 2019**

	2019	2018
	\$	\$
Balance, beginning of year	359,836	381,066
Add: Bequests and donations	1,258	1,222
Investment income	8,725	8,676
Unrealized gain/(loss) on mutual fund investment	75	(7,452)
Balance before transfers	369,894	383,512
Transfer to Hutchison House operating fund for investment income earned	(8,725)	(8,676)
Transfer to Hutchison House operating fund for maintenance funds	-	(15,000)
Balance, end of year	361,169	359,836

The balance consists of:

	2019	2018
	\$	\$
Hutchison House Endowment Fund	275,014	274,918
Hutchison House Maintenance Fund	86,155	84,918
Balance, end of year	361,169	359,836

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, 2019

	2019 \$	2018 \$
Revenue		
Membership fees	3,384	4,194
Grants - Ministry of Tourism, Culture and Recreation	1,545	1,545
Publications	1,185	523
Interest	139	83
Bingo	12,732	-
Donations and bequests	4,079	4,661
Other	255	250
	23,319	11,256
Expenditures		
Printing and stationery	730	858
Occasional papers	879	410
Postage	680	833
Meetings	1,104	886
Legal and accounting fees	1,234	1,234
Secretary-treasurer	4,592	4,272
Heritage awards	108	19
Other	5,717	5,547
	15,044	14,059
Excess (Deficiency) of Operating Revenue Over Expenditures	8,275	(2,803)
Other Fundraising Activities		
Revenue	2,063	1,774
Expenditures	1,127	809
	936	965
Excess (Deficiency) of Revenue Over Expenditures For The Year	9,211	(1,838)
Operating Fund Balance, beginning of year	49,023	51,861
Fund Transfer		
Transfer from/(to) Hutchison House	(9,863)	(1,000)
Operating Fund Balance, end of year	48,371	49,023

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, 2019**

	2019 \$	2018 \$
Revenue		
Grants		
City of Peterborough	43,344	28,344
Ministry of Culture - operating	15,090	15,090
Young Canada Works	4,796	13,248
Human Resources Canada - Canada Summer Jobs	7,812	2,184
Admissions	6,693	5,630
Fundraising	25,810	24,816
Donations - Friends of Hutchison House	3,895	3,575
- other	6,338	1,800
Book shop sales	942	1,387
Interest	65	31
	114,785	96,105
Expenditures		
Salaries, honourarium and benefits	68,406	71,934
Young Canada Works wages	5,984	11,088
Canada Summer Jobs Placement wages	9,580	8,095
Administration	15,919	15,991
Maintenance	10,093	10,483
Curatorial	1,153	707
Advertising and publicity	1,306	1,522
Fundraising	4,679	4,279
Book shop purchases	230	271
	117,350	124,370
Excess (Deficiency) of Revenue Over Expenditures For The Year	(2,565)	(28,265)
Operating Fund Balance, beginning of year	56,742	60,331
Fund Transfers		
Transfer from/(to) Peterborough Historical Society	9,863	1,000
Transfer of Trust Fund interest	8,725	8,676
Transfer from/(to) Hutchison House Maintenance Fund	-	15,000
Transfer to Equity In Capital Assets	(11,183)	-
Operating Fund Balance, end of year	61,582	56,742

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

UNAUDITED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2019

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
Operating Activities		
Excess of revenue over expenditures for the year		
Peterborough Historical Society - Operating Fund	9,211	(1,838)
Hutchison House - Operating Fund	(2,565)	(28,265)
Transfers		
Transfers from/(to) Hutchison House Trust Funds	8,725	23,676
Changes in non-cash working capital accounts		
Term deposit	(116)	(74)
Accounts receivable	(1,910)	711
Inventory	397	(387)
Prepaid expense	(525)	580
Accounts payable and accrued liabilities	168	(71)
Deferred contributions	(255)	(250)
	13,130	(5,918)
Investing Activity		
Purchase of capital assets	(11,183)	-
	(11,183)	-
Increase (Decrease) In Cash During The Year	1,947	(5,918)
Cash, Beginning of Year	88,503	94,421
Cash, End of Year	90,450	88,503

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For The Year Ended December 31, 2019

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, 2019

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, 2019

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 DEPOSIT

The term deposit consists of a guaranteed investment certificate with a total cost of \$6,246 (2018 - \$6,168). The certificate bears interest at a rate of 1.98% (2018 - 1.25%). The certificate matures in 2020 (2019).

NOTE 4: ACCOUNTS RECEIVABLE

The accounts receivable is shown net of an allowance for doubtful accounts of \$nil (2018 - \$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 2020 and 2024 (2018 - 2019 and 2023). The certificates bear interest between 1.70% and 3.25% (2018 - 1.70% 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 \$57,805 at December 31, 2019 (2018 - \$55,279).

NOTE 6: LINE OF CREDIT

The Society has a \$5,700 line of credit secured by a guaranteed investment certificate. There was no outstanding balance at December 31, 2019 (2018 - \$nil).

NOTE 7: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities includes payroll and sales tax remittances of \$750 (2018 - \$1,128).

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, 2019**

NOTE 9: COMPARATIVE BALANCES

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