

PETERBOROUGH HISTORICAL SOCIETY

UNAUDITED FINANCIAL STATEMENTS

AT DECEMBER 31, 2020

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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, 2020 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

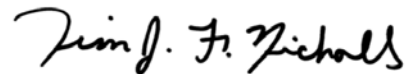
My responsibility is to express a conclusion on the accompanying financial statements based upon my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which requires me to comply with relevant ethical standards.

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, 2020, 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, 2021

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
	\$	\$
ASSETS		
Current		
Cash	130,504	90,450
Term deposits - Note 3	12,572	6,347
Accounts receivable - Note 4	12,440	2,942
Inventory	7,892	8,061
Prepaid expenses	3,200	9,539
	166,608	117,339
Capital		
Land	1	1
Hutchison House	271,513	271,513
Garden shed	13,951	13,951
Furniture, furnishings and costumes	72,706	72,706
	358,171	358,171
The Hutchison House Trust Funds		
Cash	91,945	92,227
Term deposits - Note 5	221,000	221,000
Mutual fund - Note 5	48,555	46,590
Cash value of insurance	1,374	1,352
	362,874	361,169
Total Assets	887,653	836,679
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued liabilities - Note 7	13,041	7,386
	13,041	7,386
Fund Balances		
Society operating fund	55,056	48,371
Hutchison House operating fund	98,511	61,582
Equity in capital assets	358,171	358,171
Hutchison House Trust funds	362,874	361,169
	874,612	829,293
Total Liabilities and Fund Balances	887,653	836,679

Approved on behalf of the Board:

UNAUDITED STATEMENT OF EQUITY IN CAPITAL ASSETS
For The Year Ended December 31, 2020

	2020	2019
	\$	\$
Balance, beginning of year	358,171	346,988
Add: Funds expended, Hutchison House acquisitions	-	11,183
Balance, end of year	358,171	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, 2020**

	2020	2019
	\$	\$
Balance, beginning of year	361,169	359,836
Add: Bequests and donations	1,603	1,258
Investment income	7,655	8,725
Unrealized gain on mutual fund investments	102	75
Balance before transfers	370,529	369,894
Transfer to Hutchison House operating fund for investment income earned	(7,655)	(8,725)
Balance, end of year	362,874	361,169

The balance consists of:

	2020	2019
	\$	\$
Hutchison House Endowment Fund	275,263	275,014
Hutchison House Maintenance Fund	87,611	86,155
Balance, end of year	362,874	361,169

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, 2020

	2020	2019
	\$	\$
Revenue		
Membership fees	4,339	3,384
Grants - Ministry of Tourism, Culture and Recreation	1,545	1,545
Grant - Community Foundation For Greater Peterborough	10,000	-
Publications	643	1,185
Interest	145	139
Bingo	7,911	12,732
Donations and bequests	5,583	4,079
Other	-	255
	30,166	23,319
Expenditures		
Printing and stationery	590	730
Occasional papers	945	879
Postage	982	680
Meetings	367	1,104
Legal and accounting fees	1,273	1,234
Secretary-treasurer	4,048	4,592
Heritage awards	50	108
Other	6,590	5,717
	14,845	15,044
Excess of Operating Revenue Over Expenditures	15,321	8,275
Other Fundraising Activities		
Revenue	889	2,063
Expenditures	-	1,127
	889	936
Excess of Revenue Over Expenditures For The Year	16,210	9,211
Operating Fund Balance, beginning of year	48,371	49,023
Fund Transfer		
Transfer from/(to) Hutchison House	(9,525)	(9,863)
Operating Fund Balance, end of year	55,056	48,371

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, 2020**

	2020 \$	2019 \$
Revenue		
Grants		
City of	43,344	43,344
Ministry of Culture - operating	15,090	15,090
Young Canada Works	15,424	4,796
Human Resources Canada - Canada Summer Jobs/Summer Experience	3,658	7,812
Heritage Canada - Museum Assistance Program	13,352	-
Government of Canada wage subsidy	29,021	-
Admissions	845	6,693
Fundraising	12,757	25,810
Donations - Friends of Hutchison House	3,340	3,895
- other	3,524	6,338
Book shop sales	592	942
Interest	59	65
	141,006	114,785
Expenditures		
Salaries, honourarium and benefits	62,441	68,406
Young Canada Works wages	14,693	5,984
Canada Summer Jobs/Summer Experience program wages	3,938	9,580
Administration	24,362	15,919
Maintenance	11,653	10,093
Curatorial	252	1,153
Advertising and publicity	728	1,306
Fundraising	2,641	4,679
Book shop purchases	220	230
Other	329	-
	121,257	117,350
Excess (Deficiency) of Revenue Over Expenditures For The Year	19,749	(2,565)
Operating Fund Balance, beginning of year	61,582	56,742
Fund Transfers		
Transfer from/(to) Peterborough Historical Society	9,525	9,863
Transfer of Trust Fund interest	7,655	8,725
Transfer to Equity In Capital Assets	-	(11,183)
Operating Fund Balance, end of year	98,511	61,582

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

UNAUDITED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
Operating Activities		
Excess of revenue over expenditures for the year		
Peterborough Historical Society - Operating Fund	16,210	9,211
Hutchison House - Operating Fund	19,749	(2,565)
Transfers		
Transfers from/(to) Hutchison House Trust Funds	7,655	8,725
Changes in non-cash working capital accounts		
Term deposit	(6,225)	(116)
Accounts receivable	(9,498)	(1,910)
Inventory	169	397
Prepaid expense	6,339	(525)
Accounts payable and accrued liabilities	5,655	168
Deferred contributions	-	(255)
	40,054	13,130
Investing Activity		
Purchase of capital assets	-	(11,183)
	-	(11,183)
Increase In Cash During The Year	40,054	1,947
Cash, Beginning of Year	90,450	88,503
Cash, End of Year	130,504	90,450

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For The Year Ended December 31, 2020

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, 2020

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, 2020

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

In 2020 the term deposits consisted of two guaranteed investment certificates with a total cost of \$12,371, bearing interest at 2.1% and maturing in 2021. In 2019 the balance consisted of one guaranteed investment certificate with a cost of \$6,246, bearing interest at a rate of 1.98% and maturing in 2020.

NOTE 4: ACCOUNTS RECEIVABLE

The accounts receivable is shown net of an allowance for doubtful accounts of \$nil (2019 - \$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 2021 and 2025 (2019 - 2020 and 2024). The certificates bear interest between 1.80% and 3.25% (2019 - 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 \$59,668 at December 31, 2020 (2019 - \$57,805).

NOTE 6: LINE OF CREDIT

The Society has a \$5,700 line of credit, however, there was no outstanding balance at December 31, 2020 (2019 - \$nil).

NOTE 7: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities includes payroll and sales tax remittances of \$1,014 (2019 - \$750).

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, 2020**

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.