

**KINGSTON HISTORICAL SOCIETY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**  
**(unaudited)**

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## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Board of Directors of Kingston Historical Society

We have reviewed the accompanying financial statements of Kingston Historical Society which comprise the statement of financial position as at December 31, 2022 and the statements of operations, changes in net assets and cash flow 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 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**

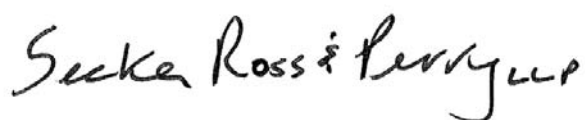
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements which require us to comply with relevant ethical requirements.

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, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Kingston Historical Society as at December 31, 2022 and the results of its operations and cash flow for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants  
Licensed Public Accountants  
Kingston, Ontario  
February 15, 2023

**KINGSTON HISTORICAL SOCIETY****STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022  
(unaudited)**

	<b>2022</b>			<b>2021</b>
	<b>General Fund</b>	<b>Murney Tower Fund</b>	<b>Total</b>	<b>Total</b>
<b>Assets</b>				
Current Assets				
Cash	\$ 36,434	\$ 46,302	\$ 82,736	\$ 99,801
Investments (note 3)	76,947	56,029	132,976	65,421
Grants receivable	-	2,500	2,500	11,199
Harmonized sales tax receivable	1,962	-	1,962	734
Inventory (note 4)	-	660	660	660
Interfund receivable (payable)	<u>(10,785)</u>	<u>10,785</u>	<u>-</u>	<u>-</u>
	<u>\$ 104,558</u>	<u>\$ 116,276</u>	<u>\$ 220,834</u>	<u>\$ 177,815</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts payable and accrued liabilities (note 5)	\$ -	\$ 4,524	\$ 4,524	\$ 4,368
Deferred revenue (note 6)	<u>2,916</u>	<u>-</u>	<u>2,916</u>	<u>5,663</u>
	<u>2,916</u>	<u>4,524</u>	<u>7,440</u>	<u>10,031</u>
<b>Net Assets</b>				
Unrestricted	81,642	56,752	138,394	147,784
Internally restricted contingency reserve fund	<u>20,000</u>	<u>55,000</u>	<u>75,000</u>	<u>20,000</u>
	<u>101,642</u>	<u>111,752</u>	<u>213,394</u>	<u>167,784</u>
	<u>\$ 104,558</u>	<u>\$ 116,276</u>	<u>\$ 220,834</u>	<u>\$ 177,815</u>

**Commitment (note 7)**

Approved on behalf of the Board

Director

Director

See accompanying notes to financial statements.

**KINGSTON HISTORICAL SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2022**  
**(unaudited)**

	<b>2022</b>			<b>2021</b>
	<b>General Fund</b>	<b>Murney Tower Fund</b>	<b>Total</b>	<b>Total</b>
<b>Revenues</b>				
Heritage Organization development grant	\$ 1,545	\$ -	\$ 1,545	\$ 1,545
Canadian Heritage Recovery Fund grant	-	9,567	9,567	-
City of Kingston Heritage Fund grant	-	59,299	59,299	57,916
Canada Summer Jobs grant	-	14,007	14,007	17,127
Region 9 Regional Tourism Organization grant	-	10,000	10,000	-
Community Foundation grant	-	9,680	9,680	-
Youth Canada Works grant	-	23,900	23,900	13,924
Memberships	7,688	-	7,688	5,793
Donations	2,440	16,781	19,221	7,882
Sponsorships and other grants	1,800	-	1,800	3,800
Investment income	1,731	872	2,603	4,994
Special events	949	2,470	3,419	1,880
Publications	665	-	665	749
Gift shop	-	139	139	287
	<u>16,818</u>	<u>146,715</u>	<u>163,533</u>	<u>115,897</u>
<b>Expenses</b>				
Advertising and promotion	957	3,979	4,936	2,374
Bank charges	-	118	118	192
Consultants - audio tour	-	6,695	6,695	-
Donations and sponsorships	250	949	1,199	780
Education	-	167	167	-
Exhibit renewal	-	12,336	12,336	1,248
Insurance	438	1,314	1,752	1,539
Memberships	110	-	110	234
Newsletter	1,881	-	1,881	1,921
Office and miscellaneous	694	4,806	5,500	3,365
Professional fees	768	2,550	3,318	3,162
Programming	955	-	955	1,434
Publications	3,088	-	3,088	3,059
Rent/ storage (note 7)	500	4,576	5,076	6,417
Salaries and benefits	-	65,055	65,055	72,048
Special events	949	-	949	528
Telephone/ wifi/ security	-	4,398	4,398	1,787
Website	390	-	390	2,496
	<u>10,980</u>	<u>106,943</u>	<u>117,923</u>	<u>102,584</u>
<b>Excess of revenues over expenses for the year</b>	<u>\$ 5,838</u>	<u>\$ 39,772</u>	<u>\$ 45,610</u>	<u>\$ 13,313</u>

See accompanying notes to financial statements.



**KINGSTON HISTORICAL SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2022**  
**(unaudited)**

	<u>2022</u>			<u>2021</u>
		Internally Restricted Contingency Reserve Fund	Total	Total
	<u>Unrestricted</u>			
<b>General Fund</b>				
Net assets at beginning of year	\$ 75,804	\$ 20,000	\$ 95,804	\$ 86,568
Excess of revenues over expenses for the year	<u>5,838</u>	<u>-</u>	<u>5,838</u>	<u>9,236</u>
Net assets at end of year	<u>\$ 81,642</u>	<u>\$ 20,000</u>	<u>\$ 101,642</u>	<u>\$ 95,804</u>

	<u>2022</u>			<u>2021</u>
		Internally Restricted Contingency Reserve Fund	Total	Total
	<u>Unrestricted</u>			
<b>Murney Tower Fund</b>				
Net assets at beginning of year	\$ 71,980	\$ -	\$ 71,980	\$ 67,903
Excess of revenues over expenses for the year	<u>39,772</u>	<u>-</u>	<u>39,772</u>	<u>4,077</u>
Interfund Transfer	<u>(55,000)</u>	<u>55,000</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ 56,752</u>	<u>\$ 55,000</u>	<u>\$ 111,752</u>	<u>\$ 71,980</u>

See accompanying notes to financial statements.

**KINGSTON HISTORICAL SOCIETY**  
**STATEMENT OF CASH FLOW**  
**YEAR ENDED DECEMBER 31, 2022**  
**(unaudited)**

	<b>2022</b>			<b>2021</b>
	<b>General Fund</b>	<b>Murney Tower Fund</b>	<b>Total</b>	<b>Total</b>
<b>Cash flow from (used in) operating activities</b>				
Cash receipts from Society activities	\$ 11,113	\$ 154,542	\$ 165,655	\$ 98,855
Cash paid to suppliers and employees	(13,165)	(104,603)	(117,768)	(101,218)
Investment income received	<u>1,731</u>	<u>872</u>	<u>2,603</u>	<u>4,994</u>
	<u>(321)</u>	<u>50,811</u>	<u>50,490</u>	<u>2,631</u>
<b>Cash flow used in investing activities</b>				
Purchase of investments	<u>(11,526)</u>	<u>(56,029)</u>	<u>(67,555)</u>	<u>(11,769)</u>
Interfund transfers	<u>5,227</u>	<u>(5,227)</u>	<u>-</u>	<u>-</u>
<b>Net decrease in cash</b>	(6,620)	(10,445)	(17,065)	(9,138)
<b>Cash at beginning of year</b>	<u>43,054</u>	<u>56,747</u>	<u>99,801</u>	<u>108,939</u>
<b>Cash at end of year</b>	<u><u>\$ 36,434</u></u>	<u><u>\$ 46,302</u></u>	<u><u>\$ 82,736</u></u>	<u><u>\$ 99,801</u></u>

See accompanying notes to financial statements.

**KINGSTON HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**  
**(unaudited)**

**1. Purpose of Organization**

Kingston Historical Society (the "Society") is incorporated without share capital under the laws of Ontario and is a registered charity under the Income Tax Act of Canada.

The Society's goals are to create, foster and maintain interest in the history and heritage of the City of Kingston and its environs; to provide a forum for the presentation and discussion of papers with relevant historical content and to provide for the publication of such papers; to organize, supervise, manage, promote and assist in providing and maintaining historical museums, plaques, cairns and other monuments to the historical past; to acquire documents, maps, books, photographs and other historical data and tangible articles of historic interest with a view to the preservation and display of such articles at such times and in such places as may be decided upon by the Society and to be an advocate for the preservation of buildings and areas of historic interest in the City of Kingston and district.

**2. Significant Accounting Policies**

The financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - Accounting Standards for Not-for-Profit Organizations. Significant accounting policies include the following:

**(a) Fund Accounting**

Revenues and expenses related to the operation of the Murney Tower are reported in the Murney Tower Fund. There are amounts with the Murney Tower Fund that are internally restricted by the Board of Directors as a contingency reserve.

Revenues and expenses related to all other activities are reported in the General Fund. There are amounts within the General Fund that are internally restricted by the Board of Directors for special projects and a contingency reserve fund.

**(b) Investments**

Guaranteed investment certificates and term deposits are recorded at cost plus accrued interest which approximates market value.

**(c) Inventory**

Inventory is valued at the lower of cost and net realizable value where cost is defined as invoiced cost on the first-in, first-out basis.

**(d) Revenue Recognition**

Restricted contributions to the general fund are recognized as revenue in the period in which the related expenditures are incurred. All other restricted contributions are recognized as revenue in the appropriate restricted fund as received. Unrestricted contributions are recognized as revenue in the general fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.



# **KINGSTON HISTORICAL SOCIETY**

## **NOTES TO FINANCIAL STATEMENTS (continued)**

**YEAR ENDED DECEMBER 31, 2022**

**(unaudited)**

### **2. Significant Accounting Policies (continued)**

#### **(d) Revenue Recognition (continued)**

Revenue from special events, memberships and sponsorships is recognized when the event occurs. Any amounts related to memberships received in advance of the membership year are recorded as deferred revenue.

All other revenues are recognized when goods are delivered or service is performed and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Amounts received for future services are deferred until the service is performed.

#### **(e) Capital Assets**

Capital assets are charged to expense on acquisition. Capital assets held include furniture, office equipment, computer equipment and display cases. Included in office and miscellaneous expenses were \$Nil in capital asset acquisitions in 2022 and 2021. Included in Exhibit renewal expense was \$9,286 in capital asset acquisitions in 2022 and \$Nil in 2021.

#### **(f) Donated Services**

The work of the Society is dependent on the voluntary services of the community. Since these services are not normally purchased by the Society and because of the difficulty of determining fair market value, donated services are not recognized in the financial statements.

#### **(g) Financial Instruments**

Financial instruments are initially recognized at fair value and then subsequently at amortized cost. The carrying amounts of cash, investments, accounts receivable and accounts payable approximate their fair market values because of the short-term nature of these instruments.

#### **(h) Use of Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires the Society 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 expenses during the year. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they are known.

**KINGSTON HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED DECEMBER 31, 2022**  
**(unaudited)**

**3. Investments**

Investments consist of:

	<u>2022</u>	<u>2021</u>
Guaranteed investment certificates and term deposits	<u>\$ 132,976</u>	<u>\$ 65,421</u>

The investments bear interest ranging from 1.63% to 5.01% and mature between February 2023 and November 2026.

**4. Inventory**

Inventory is comprised of:

	<u>2022</u>	<u>2021</u>
Books and other inventory	<u>\$ 660</u>	<u>\$ 660</u>

**5. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are source deductions payable of \$Nil (\$Nil in 2021).

**6. Deferred Revenue**

Deferred revenue consists of funds from special events, memberships and sponsorship income received in advance of incurring the related expenses. Deferred revenue is comprised of:

	<u>2022</u>	<u>2021</u>
General Fund		
Memberships	\$ 2,916	\$ 5,063
Sponsorships	<u>-</u>	<u>600</u>
	<u>\$ 2,916</u>	<u>\$ 5,663</u>

**7. Commitment**

The Society leases the property and building of the Murney Tower Museum from Parks Canada under a five-year lease expiring June 30, 2025 with an annual rent of \$100.

# **KINGSTON HISTORICAL SOCIETY**

## **NOTES TO FINANCIAL STATEMENTS (continued)**

**YEAR ENDED DECEMBER 31, 2022**

**(unaudited)**

### **8. Financial Risks**

Kingston Historical Society manages its exposure to the risks associated with financial instruments that have potential to affect its operating financial performance. The Society manages its financial instruments to allow the Society to continue with and execute its overall purpose as outlined in note 1.

As a result of the COVID-19 global pandemic, the Society may experience increased financial risk exposure in the next fiscal year.

### **9. Effects of Pandemic**

Since the commencement of the COVID-19 outbreak there have been significant disruptions to organizations throughout Canada and the world, leading to a general economic slowdown. The pandemic has caused restrictions on the Society's activities.

The rules and restrictions regarding social distancing protocols put in place by various national governments, provincial governments and local authorities may significantly affect future operations. It is not possible to reliably estimate the duration or severity of these consequences, or their impact on the financial position and results of operations for the Society for future periods.