

Financial statements of

**The Trust Funds of the Corporation
of the City of Burlington**

December 31, 2011

The Trust Funds of the Corporation of the City of Burlington

December 31, 2011

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Independent Auditor's Report

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the City of Burlington

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the City of Burlington, which comprise the statement of financial position as at December 31, 2011, and the statements of continuity, 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 public sector accounting standards, 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Trust Funds of the Corporation of the City of Burlington derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Trust Funds and we were not able to determine whether any adjustments might be necessary to donation revenue, assets, and accumulated surplus.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the City of Burlington as at December 31, 2011, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
June 15, 2012

The Trust Funds of the Corporation of the City of Burlington

Statement of continuity
year ended December 31, 2011

(In thousands of dollars)

| | 2011 | 2010 |
|---------------------------------------------|---------------|---------------|
| | \$ | \$ |
| Balance at the beginning of the year | 17,213 | 13,572 |
| Revenue | | |
| Capital receipts | 2,647 | 5,824 |
| Interest receipts | 394 | 467 |
| | 3,041 | 6,291 |
| Expenditure | | |
| Capital refunds | 10,980 | 2,589 |
| Transfers to current | 57 | 61 |
| | 11,037 | 2,650 |
| Balance at the end of the year | 9,217 | 17,213 |

The Trust Funds of the Corporation of the City of Burlington

Statement of financial position
as at December 31, 2011

(In thousands of dollars)

| | 2011 | 2010 |
|----------------------------|--------------|---------------|
| | \$ | \$ |
| Financial assets | | |
| Cash | 17 | 1 |
| Investments, at cost | | |
| Provincial | 580 | 580 |
| Municipal - other | 445 | 435 |
| Deposit receipts | 8,175 | 16,197 |
| Accumulated surplus | 9,217 | 17,213 |

The Trust Funds of the Corporation of the City of Burlington

Notes to the financial statements

December 31, 2011

(All amounts are in thousands of dollars)

1. Accounting policies

The Trust Funds financial statements of the Corporation of the City of Burlington are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of consolidation

These statements reflect the revenues, expenditures, assets and liabilities of the following trust funds:

- Cemetery care and maintenance
- Landscape deposits and contractual holdbacks
- Developers' performance deposits
- Advance building permits
- Deferred Compensation Plan
- Halton Court Services - Provincial Offences Administration
- Performing Arts Centre

2. Deferred compensation plan

The City administers and is trustee of the Deferred Compensation Plan. Current provisions of the Income Tax Act preclude further contributions and all income is distributed to the members each year.

3. Investments

The total of investments of \$1,025 (2010 - \$1,015) recorded on the "Statement of Financial Position" at cost, have a market value of \$1,036 (2010 - \$1,026) as at the end of the year.

4. Deposits

Deposit receipts reported on the statement of financial position \$8,175 (2010 - \$16,197) are held and maintained by the City on behalf of the trust.