

Financial statements of

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

December 31, 2016

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

December 31, 2016

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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, 2016, and the statement of financial activities and fund balances for the year 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.

### **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 to 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, excess of revenues over expenses and cash flows from operating activities for the year ended December 31, 2016, assets as at December 31, 2016 and fund balances as at January 1 and December 31, 2016. Our audit opinion on the financial statements for the year ended December 31, 2015 was modified accordingly, because of the possible effects of this scope limitation.

### **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, 2016, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants  
June 12, 2017

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

Statement of financial activities and fund balances  
year ended December 31, 2016

(In thousands of dollars)

	Advanced building permits	Developer performance deposits	Landscape deposits and contractual holdbacks	Performing Arts Centre Fund	POA Trust	Cemetery Trust Fund	Total 2016	Total 2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Contributions	-	-	1,514	36	1,082	48	2,680	4,195
Interest earned	-	-	-	-	72	-	72	83
	-	-	1,514	36	1,154	48	2,752	4,278
<b>Expenses</b>								
Contribution refunds	26	24	2,696	-	118	-	2,864	2,894
(Deficiency) excess of revenue over expenses	(26)	(24)	(1,182)	36	1,036	48	(112)	1,384
Fund balance, beginning of year	315	660	8,413	(45)	4,681	1,173	15,197	13,813
<b>Fund balance, end of year</b>	<b>289</b>	<b>636</b>	<b>7,231</b>	<b>(9)</b>	<b>5,717</b>	<b>1,221</b>	<b>15,085</b>	<b>15,197</b>

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

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

Statement of financial position  
as at December 31, 2016

(In thousands of dollars)

	Advanced building permits	Developer performance deposits	Landscape deposits and contractual holdbacks	Performing Arts Centre Fund	POA Trust	Cemetery Trust Fund	Total 2016	Total 2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Cash	-	-	-	-	-	17	17	14
Investments								
Provincial	-	-	-	-	-	845	845	799
Municipal - other	-	-	-	-	-	359	359	360
Deposits	289	636	7,231	(9)	5,717	-	13,864	14,024
	<b>289</b>	<b>636</b>	<b>7,231</b>	<b>(9)</b>	<b>5,717</b>	<b>1,221</b>	<b>15,085</b>	<b>15,197</b>
<b>Liabilities</b>								
Bank indebtedness	-	-	-	-	-	-	-	-
<b>Fund balances</b>								
Capital	289	636	7,231	(9)	5,717	1,221	15,085	15,197
	<b>289</b>	<b>636</b>	<b>7,231</b>	<b>(9)</b>	<b>5,717</b>	<b>1,221</b>	<b>15,085</b>	<b>15,197</b>

Approved by the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

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

## Notes to the financial statements

December 31, 2016

(All amounts are in thousands of dollars)

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### 1. Accounting policies

The Trust Funds financial statements of the Corporation of the City of Burlington are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis of accounting*

Interest revenue is recorded as earned.

Expenses are reported on the accrual basis of accounting which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

#### *Financial instruments*

Cash, investments and deposits are recorded at amortized cost.

#### *Use of estimates*

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### *Basis of preparation*

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
- Halton Court Services - Provincial Offences Administration
- Performing Arts Centre

### 2. Investments

The total of investments of \$1,204 (2015 - \$1,159) recorded on the "Statement of Financial Position" at cost, have a market value of \$1,182 (2015 - \$1,132) as at the end of the year.

### 3. Deposits

Deposit receipts reported on the statement of financial position \$13,864 (2015 - \$14,024) are held and maintained by the City on behalf of the trust.

### 4. Statement of cash flows

A statement of cash flows is not presented as the operating, investing, and financing activities are readily apparent from the other financial statements.