

Financial statements of

Burlington Museums Board

December 31, 2016

Burlington Museums Board

December 31, 2016

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Burlington Museums Board, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, change in net financial assets 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 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Burlington Museums Board as at December 31, 2016 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "Deloitte LLP". The word "Deloitte" is written in a cursive script, and "LLP" is written in a simpler, blocky font.

Chartered Professional Accountants
Licensed Public Accountants
April 27, 2017

Burlington Museums Board

Statement of financial position
year ended December 31, 2016

	Ireland House Museum	Joseph Brant Museum	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash	281,589	312,937	594,526	488,608
Accounts receivable	2,645	-	2,645	2,516
Due from Joseph Brant Museum (Note 3)	133,103	-	133,103	132,959
Due from City of Burlington (Note 3)	87,080	1,050,946	1,138,026	1,530,129
	504,417	1,363,883	1,868,300	2,154,212
Liabilities				
Accounts payable and accrued liabilities	14,200	15,740	29,940	34,735
Deferred revenue	2,817	2,202	5,019	6,943
Due to Ireland House Museum (Note 3)	-	133,103	133,103	132,959
	17,017	151,045	168,062	174,637
Net financial assets	487,400	1,212,838	1,700,238	1,979,575
Non-financial assets				
Prepaid expenses	300	900	1,200	1,200
Tangible capital assets (Note 7)	60,013	12,602	72,615	77,561
	60,313	13,502	73,815	78,761
Accumulated surplus (Note 5)	547,713	1,226,340	1,774,053	2,058,336

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

Burlington Museums Board

Statement of operations year ended December 31, 2016

	Ireland House Museum		Joseph Brant Museum		2016	2015
	Budget (Note 6)	Actual	Budget (Note 6)	Actual	Actual	Actual
	\$	\$	\$	\$	\$	\$
Revenue						
Municipal contribution						
Operating	332,794	332,794	332,795	332,795	665,589	655,660
Capital	-	71,250	-	19,750	91,000	84,950
Ontario grants	29,373	29,373	29,053	29,053	58,426	58,426
Donation from Burlington Museums Foundation	-	-	-	-	-	300,000
Federal grants/employment grants	-	10,288	-	-	10,288	15,711
Admissions and program revenue	52,484	80,297	51,038	30,927	111,224	119,938
Other income	13,040	15,346	9,283	14,027	29,373	50,605
Interest earned in reserves	-	3,304	-	28,568	31,872	44,456
	427,691	542,652	422,169	455,120	997,772	1,329,746
Expenses						
Amortization	19,500	19,839	7,000	7,204	27,043	26,486
Collections management	6,447	7,548	8,308	9,769	17,317	19,618
Fee Waiver - JB Day	-	-	1,263	1,263	1,263	1,244
General office materials	3,806	4,526	3,806	2,434	6,960	10,993
Insurance	2,443	2,244	350	247	2,491	2,940
Loss on disposal of tangible capital assets	-	-	-	-	-	2,364
Museums programs	27,185	33,625	27,184	33,947	67,572	71,817
Professional fees	3,568	2,927	3,568	2,972	5,899	6,017
Purchases of inventory	5,119	7,482	5,118	2,466	9,948	8,462
Repairs and maintenance	23,114	32,288	16,564	10,972	43,260	49,381
Salaries, wages and benefits	335,510	307,029	335,510	307,029	614,058	603,040
Salaries, wages and benefits - grants	500	14,474	500	-	14,474	20,805
Staff development and travel	2,194	2,087	2,194	1,990	4,077	4,979
Telephone and utilities	17,805	25,275	17,804	12,418	37,693	34,649
Joseph Brant Museum transformation	-	-	-	430,000	430,000	-
	447,191	459,344	429,169	822,711	1,282,055	862,795
Annual (deficit) surplus	(19,500)	83,308	(7,000)	(367,591)	(284,283)	466,951
Accumulated surplus, beginning of year	464,405	464,405	1,593,931	1,593,931	2,058,336	1,591,385
Accumulated surplus, end of year	444,905	547,713	1,586,931	1,226,340	1,774,053	2,058,336

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

Burlington Museums Board

Statement of change in net financial assets year ended December 31, 2016

	Budget	2016	2015
	\$	\$	\$
Annual (deficit) surplus	(26,500)	(284,283)	466,951
Acquisition of tangible capital assets	-	(22,097)	(33,293)
Loss on disposal of tangible capital assets	-	-	2,364
Amortization of tangible capital assets	26,500	27,043	26,486
	26,500	4,946	(4,443)
Acquisition of prepaid expenses	-	(1,200)	(1,200)
Use of prepaid expenses	-	1,200	1,961
	-	-	761
Change in net financial assets	-	(279,337)	463,269
Net financial assets, beginning of year	1,979,575	1,979,575	1,516,306
Net financial assets, end of year	1,979,575	1,700,238	1,979,575

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

Burlington Museums Board

Statement of cash flows

year ended December 31, 2016

	2016	2015
	\$	\$
Operating activities		
Annual (deficit) surplus	(284,283)	466,951
Items not affecting cash		
Amortization	27,043	26,486
Loss on disposal of tangible capital assets	-	2,364
Changes in non-cash operating working capital items		
Accounts receivable	(129)	164
Due from City of Burlington	392,103	(332,281)
Prepaid expenses	-	761
Accounts payable and accrued liabilities	(4,795)	(14,461)
Deferred revenue	(1,924)	2,377
	128,015	152,361
Capital activity		
Purchase of tangible capital assets	(22,097)	(33,293)
Net change in cash	105,918	119,068
Cash, beginning of year	488,608	369,540
Cash, end of year	594,526	488,608
Cash consists of the following		
Ireland House Museum cash	281,589	203,243
Joseph Brant Museum cash	312,937	285,365
	594,526	488,608

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

Burlington Museums Board

Notes to the financial statements

December 31, 2016

1. Description of the Organization

The Burlington Museums Board (the "Board") was established by the Council of the City of Burlington to administer the operations and activities of the Joseph Brant Museum and the Ireland House Museum. The Board is exempt from income taxes under the Income Tax Act.

2. Accounting policies

Basis of accounting

The financial statements of the Burlington Museums Board are prepared in accordance with Canadian public sector accounting standards. The significant accounting policies of the Board are as follows:

Revenues

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

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Computer equipment	3 years
Security system	5 years
Machinery and equipment	10 to 12 years

Annual amortization is charged in the year of acquisition and in the year of disposal on a pro-rated basis. Assets under construction are not amortized until the asset is available for productive use.

Government transfers

Government transfers are recognized in the financial statements as revenue in the financial period in which the events give rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be determined.

Investment income

Investment income earned is reported as revenue in the period earned.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include the useful lives of tangible capital assets. Actual results could differ from those estimates.

Financial instruments

The estimated fair value of cash, accounts receivable, due from the City of Burlington and accounts payable and accrued liabilities approximate their carrying value due to the relatively short-term nature of the instruments.

3. Due from Joseph Brant Museum, due to Ireland House Museum and due from City of Burlington

These balances due from the Joseph Brant Museum and the City of Burlington and due to the Ireland House Museum are non-interest bearing and have no set terms of collection.

Burlington Museums Board

Notes to the financial statements

December 31, 2016

4. Pension agreements

The Board makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of its full time and eligible part time staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions to OMERS are made at rates ranging from 9% to 14.6% depending on the proposed retirement age and the level of earnings. During 2016, the Board contributed \$28,017 (2015 - \$29,487) to OMERS.

5. Accumulated surplus

	2016	2015
	\$	\$
Consists of		
Reserves set aside by the Board		
Joseph Brant general reserve	33,156	32,262
Joseph Brant project reserve	152,276	152,676
Joseph Brant transformation project reserve	872,512	1,278,950
Ireland House general reserve	7,967	7,752
Ireland House project reserve	114,395	116,206
	1,180,306	1,587,846
Surpluses		
Invested in tangible capital assets	72,615	77,561
General fund	521,132	392,929
	593,747	470,490
Accumulated surplus	1,774,053	2,058,336

Project reserves

General and project reserves are funds set aside for future operating and capital expenditures, as approved by the Board.

Joseph Brant transformation project reserve

The Joseph Brant transformation project reserve represents funds set aside for the renovation and expansion of the Joseph Brant Museum project.

Burlington Museums Board

Notes to the financial statements

December 31, 2016

6. Budget figures

The budgets originally approved by the Burlington Museums Board for 2016, adjusted as noted below, are reflected on the statement of operations and of change in net financial assets.

An amount for amortization expense has been added and is based on management's best estimate of amortization expense determined at the beginning of the year. Amortization expense was not included in the original Museum Board approved budget.

\$

Adopted budget

Budget annual surplus

-

Adjustments to the adopted budget

Amortization of tangible assets

(26,500)

Budgeted deficit per statement of operations

(26,500)

7. Tangible capital assets

			2016
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Ireland House Museum			
Computer equipment	22,774	15,873	6,901
Security system	4,394	4,394	-
Machinery and equipment	147,865	94,753	53,112
	175,033	115,020	60,013
Joseph Brant Museum			
Computer equipment	3,443	2,287	1,156
Security system	677	677	-
Machinery and equipment	85,230	73,784	11,446
	89,350	76,748	12,602
Net book value of tangible capital assets	264,383	191,768	72,615

Burlington Museums Board

Notes to the financial statements

December 31, 2016

7. Tangible capital assets (continued)

		2015	
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Ireland House Museum			
Computer equipment	21,661	11,497	10,164
Security system	4,394	3,515	879
Machinery and equipment	128,756	82,044	46,712
	154,811	97,056	57,755
Joseph Brant Museum			
Computer equipment	6,181	3,022	3,159
Security system	677	649	28
Machinery and equipment	85,230	68,611	16,619
Balance, end of year	92,088	72,282	19,806
Net book value of tangible capital assets	246,899	169,338	77,561

8. Comparative figures

Certain comparative figures have been reclassified to conform to 2016 presentation.