



The Corporation of the City of Burlington
Report to the Audit Committee on the 2018 audits



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May 14, 2019

To the Chair and Members of the Audit Committee
City of Burlington
426 Brant Street
Burlington ON L7R 3Z6

Report on audited annual financial statements

Dear Audit Committee Members:

We are pleased to submit this report on the status of our audit of the consolidated financial statements of the Corporation of the City of Burlington (the "City") for the year ended December 31, 2018. This report summarizes the scope of our audits, our findings and reviews certain other matters that we believe to be of interest to you.

As agreed in our Master Services Agreement dated November 7, 2016, and our confirmation of changes letter dated October 9, 2018, we have performed an audit of the following, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"):

- Consolidated financial statements of the City as at, and for the year ended, December 31, 2018
- Financial statements of the Trust Funds of the Corporation of the City of Burlington (the "Trust Funds") as at, and for the year ended December 31, 2018, and
- Financial statements of the Burlington Public Library, Burlington Economic Development Corporation, Burlington Museums Board, Burlington Theatre Board, Burlington Downtown BIA and Aldershot BIA (the "Boards") as at, and for the year ended, December 31, 2018.

We expect to issue our Independent Auditor's Reports on the financial statements of the City and the Trust Funds, upon approval of the financial statements by Council.

Our audits were conducted in accordance with the audit plan presented to the Audit Committee on November 7, 2018.

This report is intended solely for the information and use of the Council through the Audit Committee, management and others within the City, and is not intended to, and should not, be used by anyone other than these specified parties. Accordingly, we disclaim any responsibility to any other party who may rely on it.

City of Burlington
May 14, 2019
Page 2

We would like to express our appreciation for the cooperation we received from the officers and employees of the City with whom we worked to discharge our responsibilities.

Yours very truly,

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

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Our audits explained

This report summarizes the main findings arising from our audits.

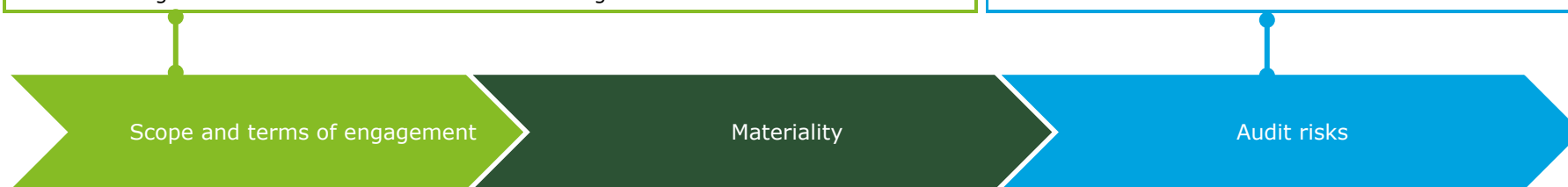
Audit scope and terms of engagement

We have been asked to perform audits of the financial statements of the City and the Trust Funds (collectively, the "City") in accordance with Canadian Public Sector Accounting Standards ("PSAS") and Canadian accounting standards for not-for-profit organizations ("ASNPO") (respectively) as at and for the year ended December 31, 2018. Our audits were conducted in accordance with Canadian generally accepted auditing standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the Master Services Agreement dated November 7, 2016, and our confirmation of changes letter dated October 9, 2018, which were signed on behalf of the Committee and management.

Audit risks

Through our risk assessment process, we have identified the audit risks. These risks of material misstatement and related audit responses are discussed in the Audit Risks section of this report.



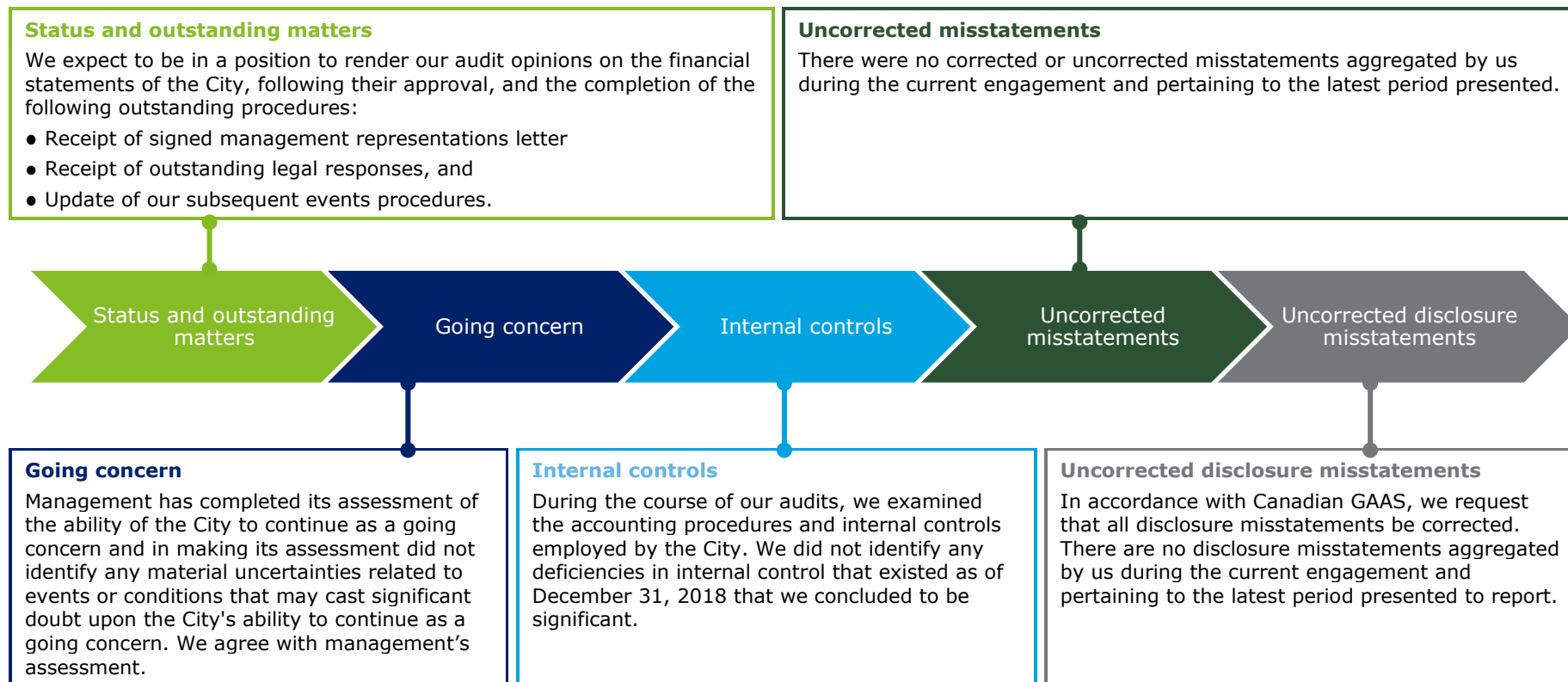
Materiality

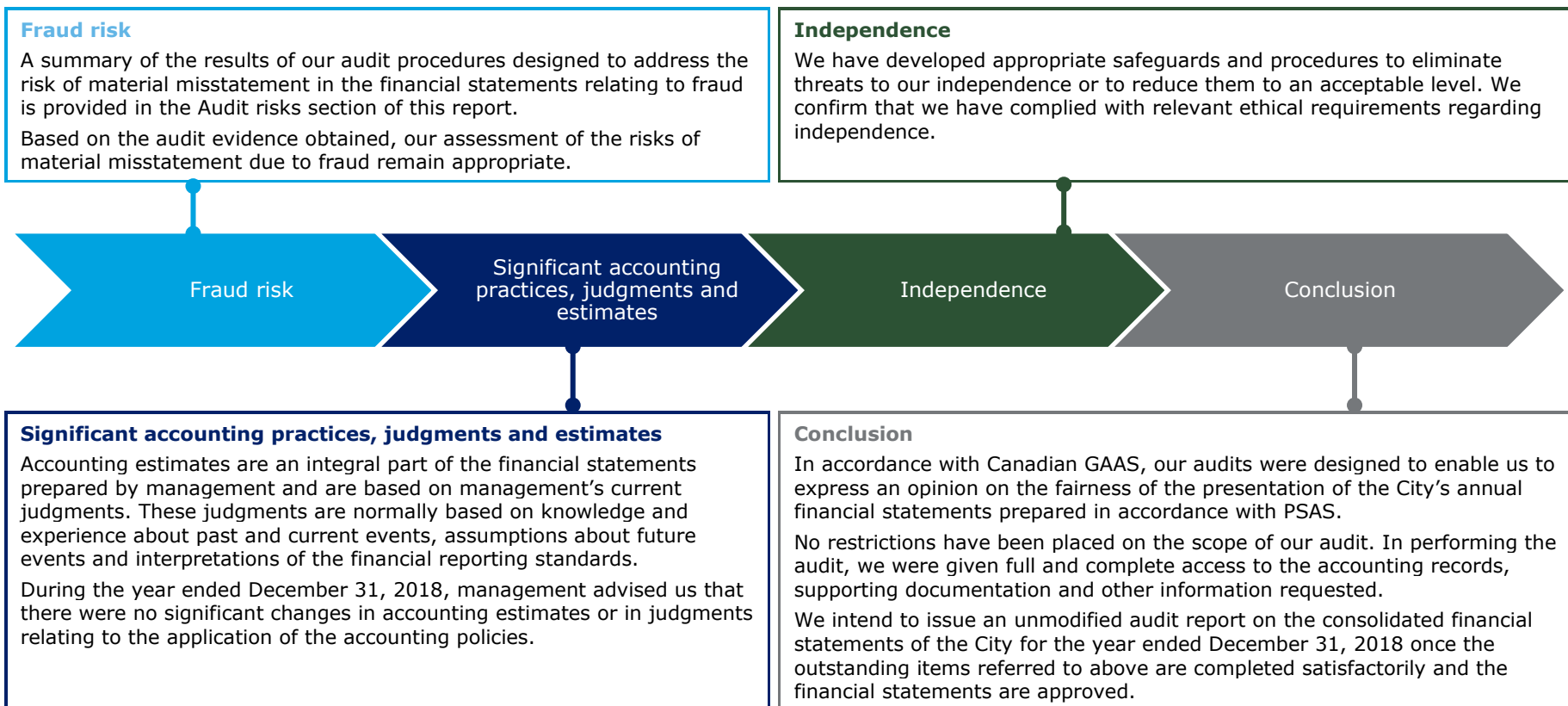
We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement.

Materiality levels were determined as follows:

- Consolidated financial statements for the City – On the basis of 3% of expenses.
- City of Burlington Trust Funds – On the basis of 3% of revenues.

We have informed the Committee of all uncorrected misstatements greater than a clearly trivial amount of 5% of materiality and any misstatements that are, in our judgment, qualitatively material. In accordance with Canadian GAAS, we asked that any misstatements be corrected.





Audit risks

The Corporation of the City of Burlington

Revenue and deferred revenue amounts*

Audit risk

Canadian Auditing Standards include the presumption of a fraud risk involving improper revenue recognition.

Our audit response

- Substantive testing to determine if restricted contributions (i.e., development charges, gas tax, conditional grants, etc.) have been recognized as revenue in the appropriate period.

Audit results

No significant issues were noted as a result of this testing.

Adoption of new accounting standards

Audit risk

Determine if balances and disclosures are appropriate and in accordance with newly adopted Public Sector Accounting Standards.

Our audit response

- Review management's process of identifying related parties, and review management's analysis of related party transactions and balances and determine if they are recorded in accordance with PS 2200
- Determine if Assets are properly recorded and disclosed in accordance with PS 3210
- Review management's process of identifying contingent assets and contractual rights and determine if they are properly disclosed in accordance with PS 3320 and PS 3380.

Audit results

No significant issues were noted as a result of this testing.

Year-end cut-off

Audit risk

Determine if cut-off of revenues and expenses is appropriate.

Our audit response

- Substantive testing on accounts payable, accrued liabilities, deferred revenue and accounts receivable, and
- Test disbursements subsequent to year-end.

Audit results

No significant issues were noted as a result of this testing.

Tangible capital assets

Audit risk

Appropriate accounting and disclosure.

Our audit response

- Test assumptions used in determining completeness, valuation, recording and cut-off of 2018 additions and disposals, and
- Testing of calculations of amortization.

Audit results

No significant issues were noted as a result of this testing.

Year-end accruals and other estimates (including salaries, employee future benefits, contaminated sites, and allowance for doubtful accounts)

Audit risk

Estimates require management judgments and assumptions.

Our audit response

- Obtain documentation on management's control over accounting estimates and assess risk
- Review and assess the consistency of major assumptions used to develop significant accounting estimates
- Compare actual historical experience to models employed in such calculations
- Obtain calculations from experts for accruals such as employee future benefit liability, and assess assumptions and data used to prepare the report, and
- Review actual outcome of prior year estimates.

Audit results

No significant issues were noted as a result of this testing.

Implementation of PerfectMind system

Audit risk

The implementation of the PerfectMind system to replace the CLASS system for recreation program management will require data migration and conversion.

Our audit response

- Obtain documentation and assess management’s controls over the system implementation process, including change management and conversion testing controls, and
- Ensure data migrated from the CLASS to the PerfectMind system is accurate and complete by comparing a sample of data pre and post conversion.

Audit results

No significant issues were noted as a result of this testing.

Management override of controls*

Audit risk

Management override of controls is a presumed area of risk in a financial statement audit due to management’s ability to override controls that otherwise appear to be operating effectively.

Our audit response

- Our audit tests the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of financial statements
- We will obtain an understanding of the business rationale for significant transactions that we become aware of that are outside of the normal course of business, or that otherwise appear to be unusual given our understanding of the City and its environment
- We will review accounting estimates for bias and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement
- In addition, experienced Deloitte personnel will be assigned to the testing and review of journal entries and areas of estimates, and
- Professional skepticism will be maintained throughout the audit.

Audit results

No significant issues were noted as a result of this testing.

Significant accounting practices, judgments and estimates

The accounting policies described in Note 1 to the City's financial statements are most important to the portrayal of the City's financial condition and financial performance.

In the course of our audits of the financial statements, we considered the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability and understandability of the information included in the financial statements.

Significant accounting policies

During the year ended December 31, 2018 the City adopted the following new accounting standards:

- PS 2200 Related parties
- PS 3420 Inter-entity transactions
- PS 3210 Assets
- PS 3320 Contingent assets
- PS 3380 Contractual rights

There was no impact to the City's financial statements as a result of the adoption of these standards.

Management judgment and accounting estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgments. These judgments are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.

During the year ended December 31, 2018, management advised us that there were no significant changes in accounting estimates or in judgments relating to the application of the accounting policies.

In our judgment, the significant accounting estimates made by management are, in all material respects, free of possible management bias and of material misstatement. The disclosure in the financial statements with respect to estimation uncertainty is in accordance with PSAS and is appropriate to the particular circumstances of the City.

Other reportable matters

The following summarizes the status and findings of key aspects of our audits. In the appendices to this report, we have provided additional information related to certain matters we committed to report to the Committee as part of the audit plan.

	Comment
Changes to the audit plan	The audits were conducted in accordance with our audit plan, which was communicated to the Committee. We confirm that there have been no amendments to the audit scope and approach communicated in the audit plan.
Significant difficulties encountered in performing the audit	We did not encounter any significant difficulties while performing the audits. There were no significant delays in receiving information from management required for the audits nor was there an unnecessarily brief timetable in which to complete the audits.
Related party transactions	Related party transactions or balances have been properly disclosed in the financial statements. We have not identified any related party transactions that were not in the normal course of operations and that involved significant judgments by management concerning measurement or disclosure.
Disagreements with management	In the course of our audits, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the financial statements.
Consultation with other accountants	Management has informed us that the City has not consulted with other accountants about auditing or accounting matters.
Legal and regulatory compliance	Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the City.
Post-balance sheet events	At the date of finalizing this report, we are not aware of any significant post balance sheet events.

Appendix 1 – Communication requirements

The table below summarizes our communication requirements under Canadian GAAS and other communications that we believe would help us achieve an effective audit. We confirm that all required communications have been reported in our audit service plan and year end communication.

Required communication	Comment
Audit service plan	
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the Financial Statements.	Master Services Agreement dated November 7, 2016 and confirmation of changes letter dated October 9, 2018.
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> a. Timing of the audit b. Significant risks, including fraud risks, and c. Names, locations, and planned responsibilities of other independent public accounting firms or others that perform audit procedures in the audit. 	Audit service plan presented to the audit committee on November 7, 2018.
3. Significant transactions outside of the normal course of business, including related party transactions.	None noted.
Enquiries of those charged with governance	
4. How those charged with governance exercise oversight over management’s process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	Audit service plan presented to the audit committee on November 7, 2018.
5. Any known suspected or alleged fraud affecting the City	None noted.
6. Whether the City is in compliance with laws and regulations	No issues of non-compliance noted.
Year end communication	
7. Fraud or possible fraud identified through the audit process.	None noted.
8. Significant accounting policies, practices, unusual transactions, and our related conclusions.	See note 1 to the financial statements for significant accounting policies. No unusual transactions noted.

Required communication	Comment
9. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period.	The significant accounting practices and policies selected and applied by management are, in all material respects, acceptable under PSAS and are appropriate to the particular circumstances of the City.
10. Matters related to going concern.	See page 2 of this report.
11. Management judgments and accounting estimates.	See page 3 of this report.
12. Significant difficulties, if any, encountered during the audit.	None.
13. Material written communications between management and us, including management representation letters.	See Appendix 4.
14. Other matters that are significant to the oversight of the financial reporting process.	None noted.
15. Modifications to our opinion(s).	None.
16. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns.	Other reportable matters section of this report.
17. Significant matters discussed with management.	None.
18. Illegal or possibly illegal acts that come to our attention.	None noted.
19. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the Financial Statements.	None noted.
20. Uncorrected misstatements and disclosure items.	None noted.
21. Any significant matters arising during the audit in connection with the City's related parties	None noted.

Appendix 2 – Management letter



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May 14, 2019

Ms. Joan Ford
Director of Finance
City of Burlington
426 Brant Street
Burlington ON L7R 3Z6

Dear Ms. Ford:

We have substantially completed our examination of the consolidated financial statements of the Corporation of City of Burlington (the "City") for the year ended December 31, 2018. We would like to provide the attached management comments for your consideration.

As part of our examination, we reviewed the City's systems and internal controls to the extent we considered necessary to make an evaluation of such systems and procedures in accordance with Canadian generally accepted auditing standards. Under these standards, the fundamental purpose of the evaluation is to assess audit risk and to establish a basis for reliance on the internal controls in determining the nature, extent and timing of other auditing procedures, which are necessary for the expression of an opinion on the financial statements; it is not to determine whether internal controls are adequate for management's purposes.

While the audit did not include an in-depth evaluation of all systems or all aspects of any individual system, we undertake to report any internal control matters which come to our attention during the audit. Our comments and recommendations are set out in the attached report.

We would be pleased to discuss our recommendations and provide any assistance you may wish in their implementation.

Yours very truly,

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.

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Enclosure

c: Members of the Audit Committee

Current year findings

We noted no findings as part of our review of internal controls and processes to be brought to your attention. We have provided an update on the current status of prior year findings below.

Prior year findings

The below findings were noted as part of our audits in prior years and were still in the process of remediation at the commencement of 2018. We provide a follow up below on their status to date.

1. Password parameters not in line with policy

Prior year observation

Database password parameters (password expiration, password history, failed logon attempts, password length and password complexity) on application accounts in the SAP, CLASS and Avantis databases are not aligned with City of Burlington policy.

Fiscal 2018 status – partially remediated

IT Staff acknowledge that the password policy has not been applied in its entirety to the Avantis and SAP application and database environments. There are limitations within the Avantis application that do not permit application of the password policy. The City has implemented a third party tool that enforces password length and adds acceptable levels of control with the remaining password parameters. Access directly to the Avantis database requires database level access tools which are highly restricted in the City's environment and issued only to a small number of staff in the ITS department. Therefore, the password policy is not applied to the database environment.

The City's password policy has been applied to the SAP application. The City and Region of Halton staff will work together to investigate the feasibility of implementing the identified password parameters to the SAP database.

The City's current password policy includes password expiration, password history, failed logon attempts, and minimum length. Password complexity is not a requirement of the City's password policy. Adding password complexity in addition to the fifteen character minimum length could create unintentional security risk. Therefore, ITS staff are willing to accept the risk of not introducing password complexity.

2. User access review

Observation

We did not observe evidence of user access reviews for SAP and CLASS applications. Privileged access review for Oracle Database layer (for Avantis, CLASS and SAP) was not performed.

Fiscal 2018 status – remediated

We confirmed as part of our audit work for fiscal 2018 that this has been remediated, and user access reviews were performed during the year.

Appendix 3 – Independence letter



Deloitte LLP
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April 22, 2019

The Audit Committee
City of Burlington
426 Brant St
Burlington ON L7R 3Z6

Dear Audit Committee Members:

We have been engaged to audit the consolidated financial statements of the City of Burlington (the "City") for the year ended December 31, 2018.

You have requested that we communicate in writing with you regarding our compliance with relevant ethical requirements regarding independence as well as all relationships and other matters between the City, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested us to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

In determining which relationships to report, we have considered relevant rules and related interpretations prescribed by the appropriate provincial institute/order and applicable legislation, covering such matters as:

- a. Holding a financial interest, either directly or indirectly, in a client

- b. Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
- c. Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
- d. Economic dependence on a client, and
- e. Provision of services in addition to the audit engagement.

We confirm to you that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence matters arising since May 7, 2018, the date of our last letter.

We are not aware of any relationships between the Deloitte Entities and the City and its affiliates, or persons in financial reporting oversight roles at the City and its affiliates, that, in our professional judgment, may reasonably be thought to bear on independence, that have occurred from May 7, 2018 to April 22, 2019.

We hereby confirm that we are independent with respect to the City in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario as of April 22, 2019.

This report is intended solely for the use of the Audit Committee, Council, management, and others within the City and should not be used for any other purposes.

Yours very truly,

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

Appendix 4 – Draft management representation letter

(Organization letterhead)

June 5, 2019

Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3

Dear Sirs:

Subject: Consolidated financial statements of the City of Burlington for the year ended December 31, 2018

This representation letter is provided in connection with the audit by Deloitte LLP (“Deloitte” or “you”) of the consolidated financial statements of the City of Burlington (the “City” or “we” or “us”) for the year ended December 31, 2018, and a summary of significant accounting policies and other explanatory information (the “Financial Statements”) for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the City in accordance with Canadian Public Sector Accounting Standards (“PSAS”).

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the master services agreement between the City and Deloitte dated November 7, 2016 and subsequent confirmation of changes letter dated October 9, 2018 for the preparation of the Financial Statements in accordance with PSAS. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the City as at December 31, 2018 and the results of its operations and cash flows for the year then ended in accordance with PSAS.

2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with PSAS, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with PSAS. The City has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity. No events have occurred subsequent to December 31, 2018 that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

3. The City has identified all related parties in accordance with Section PS 2200, *Related Party Disclosures* ("PS 2200"). Management has made the appropriate disclosures with respect to its related party transactions in accordance with PS 2200. This assessment is based on all relevant factors, including those listed in paragraph 16 of PS 2200.
4. We have determined that the Financial Statements are complete as of the date of this letter as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected. The Financial Statements have been approved in accordance with our process to finalize financial statements.
5. We have completed our review of events after December 31, 2018 and up to the date of this letter. All events subsequent to the date of the Financial Statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.

The Financial Statements are free of material errors and omissions.

Internal controls

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
7. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.

Information provided

8. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters.
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and,

- c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
10. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
11. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.
12. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the City.
13. We have disclosed to you all communications from regulatory agencies concerning non-compliance with or deficiencies financial reporting practices and all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Financial Statements.
14. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration.
15. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with PSAS.

Independence matters

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

16. Prior to the City having any substantive employment conversations with a former or current Deloitte engagement team member, the City has held discussions with Deloitte and obtained approval from the Audit Committee.

Other matters

17. The City has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.
18. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.

19. We have disclosed to you, and the City has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
20. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.
21. The City has applied the same accounting policies on a consistent basis for the opening PSAS statement of financial position and throughout all periods presented in the Financial Statements. These accounting policies are in accordance with the PSAS effective at the end of the current reporting period December 31, 2018.

Plans or intentions affecting carrying value/classification of assets and liabilities

22. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.

Notes, loans and receivables

23. The City is responsible for determining the appropriate carrying amount of notes, loans, and accounts receivable, as well as estimates used to determine such amounts. Management believes that the carrying amounts recorded and disclosed are appropriate.

Environmental liabilities/contingencies

24. We have considered the effect of environmental matters on the City and have disclosed to you all liabilities, provisions or contingencies arising from environmental matters. All liabilities, provisions, contingencies and commitments arising from environmental matters, and the effect of environmental matters on the carrying values of the relevant assets are recognized, measured and disclosed, as appropriate, in the Financial Statements.

Employee future benefits

25. Employees future benefit costs, assets, and obligations, as applicable, have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit and defined contribution plans as well as termination arrangements. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, obligations and costs for financial statement purposes are appropriate in the circumstances
26. We have disclosed to you any intentions of terminating any of our pension plans or withdrawing from the multi-employer plan, or taking any other action that could result in an effective termination or reportable event for any of the plans. We have disclosed to you any occurrences that could result in the termination of any of our pension or multi-employer plans to which we contribute.
27. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:
 - a. losses arising from sale and purchase commitments
 - b. agreements to buy back assets previously sold
 - c. provisions for future removal and site restoration costs

- d. financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure
 - e. arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements
 - f. all impaired loans receivable
 - g. loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.
 - h. losses arising from sale and purchase commitments
 - i. agreements to buy back assets previously sold
 - j. provisions for future removal and site restoration costs
 - k. financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure
 - l. arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements
 - m. all impaired loans receivable
 - n. loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.
28. We have reviewed and approved the year-end adjusting entries, including all related supporting schedules, and the financial statements and acknowledge our responsibility for their accuracy. While discharging our responsibility we may have requested your assistance or input in certain areas such as:
- a. Recording of transactions for which we have determined or approved the appropriate account classification
 - b. Posting transactions to the general ledger
 - c. Preparing financial statements
 - d. Posting journal entries to the trial balance
 - e. Performing non-custodial payroll services, and
 - f. Preparing taxation returns.

We acknowledge our responsibility for the above listed items and confirm that we have authorized, reviewed and approved all of the above items.

Investments

29. The City does not hold any investments in Master Asset Vehicle notes (which replaced third party non-bank asset backed commercial paper).

Access to minutes

30. We have not provided you access to review certain minutes and reports which may violate the solicitor-client privilege. The City Solicitor has reviewed all minutes and reports impacted by the solicitor-client privilege, and has concluded that there are no material liabilities or contractual obligations included in them which are not already reflected in the consolidated financial statements of the City.

Yours truly,

The Corporation of the City of Burlington

Mr. Tim Commisso
Interim City Manager

Ms. Joan Ford
Director of Finance

Ms. Sandy O'Reilly
Controller & Manager of Financial Services

Draft