
Financial statements of Burlington Museums Board

December 31, 2018

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Independent Auditor's Report

To the Members of the Burlington Museums
Board and Members of Council of the
Corporation of the City of Burlington

Opinion

We have audited the financial statements of Burlington Museums Board (the "Museums"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museums as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Museums in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Museums' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Museums or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Museums' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Museums' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Museums' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Museums to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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
May 3, 2019

Burlington Museums Board
Statement of financial position
Year ended December 31, 2018

		Ireland House Museum	Joseph Brant Museum	2018	2017
	Notes	\$	\$	\$	\$
Financial assets					
Cash		530,029	275,353	805,382	812,931
Accounts receivable		4,541	—	4,541	7,102
Due from City of Burlington	3	143,743	1,153,810	1,297,553	1,161,630
		678,313	1,429,163	2,107,476	1,981,663
Liabilities					
Accounts payable and accrued liabilities		31,582	20,163	51,745	64,992
Deferred revenue		4,465	—	4,465	2,858
		36,047	20,163	56,210	67,850
Net financial assets		642,266	1,409,000	2,051,266	1,913,813
Non-financial assets					
Tangible capital assets	7	32,838	2,695	35,533	48,678
Accumulated surplus	5	675,104	1,411,695	2,086,799	1,962,491

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

Burlington Museums Board
Statement of operations
Year ended December 31, 2018

	Ireland House Museum		Joseph Brant Museum		Budget	2018	2017
	Budget	Actual	Budget	Actual	(Note 6)	Actual	Actual
	(Note 6)		(Note 6)				
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Municipal contribution							
Operating	348,831	343,914	348,831	343,914	697,662	687,828	683,982
Capital	120,500	142,308	—	—	120,500	142,308	107,400
Ontario grants	29,373	29,373	—	—	29,373	29,373	49,819
Federal grants/employment grants	10,200	10,200	—	—	10,200	10,200	26,990
Admissions and program revenue	60,740	88,806	—	352	60,740	89,158	89,786
Other income	47,215	81,284	6,313	13,713	53,528	94,997	46,706
Interest earned in reserves	—	5,164	—	31,023	—	36,187	30,748
	616,859	701,049	355,144	389,002	972,003	1,090,051	1,035,431
Expenses							
Amortization	14,825	14,825	3,213	3,213	18,038	18,038	25,629
Collections management	15,351	25,932	—	50	15,351	25,982	13,248
Fee Waiver - JB Day	—	—	1,313	1,313	1,313	1,313	1,288
General office materials	9,065	16,040	—	6,185	9,065	22,225	13,153
Insurance	2,200	2,394	245	264	2,445	2,658	2,658
Loss on disposal of tangible capital assets	—	—	—	1,188	—	1,188	320
Museums programs	50,007	46,735	5,750	6,892	55,757	53,627	78,978
Professional fees	3,710	7,818	3,711	6,959	7,421	14,777	13,738
Purchases of inventory	8,142	7,890	—	—	8,142	7,890	5,204
Repairs and maintenance	138,916	148,146	—	280	138,916	148,426	111,052
Salaries, wages and benefits	360,604	304,827	330,825	322,079	691,429	626,906	519,503
Salaries, wages and benefits - grants	11,200	13,455	—	—	11,200	13,455	22,673
Staff development and travel	4,464	3,540	100	40	4,564	3,580	5,270
Telephone and utilities	13,200	24,082	13,200	1,596	26,400	25,678	34,279
	631,684	615,684	358,357	350,059	990,041	965,743	846,993
Annual (deficit) surplus	(14,825)	85,365	(3,213)	38,943	(18,038)	124,308	188,438
Accumulated surplus, beginning of year	589,739	589,739	1,372,752	1,372,752	1,962,491	1,962,491	1,774,053
Accumulated surplus, end of year	574,914	675,104	1,369,539	1,411,695	1,944,453	2,086,799	1,962,491

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

Burlington Museums Board
Statement of change in net financial assets
Year ended December 31, 2018

	Budget	2018	2017
	\$	\$	\$
Annual (deficit) surplus	(18,038)	124,308	188,438
Acquisition of tangible capital assets	—	(6,081)	(2,012)
Loss on disposal of tangible capital assets	—	1,188	320
Amortization of tangible capital assets	18,038	18,038	25,629
	18,038	13,145	23,937
Use of prepaid expenses	—	—	1,200
Change in net financial assets	—	137,453	213,575
Net financial assets, beginning of year	1,913,813	1,913,813	1,700,238
Net financial assets, end of year	1,913,813	2,051,266	1,913,813

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

Burlington Museums Board**Statement of cash flows**

Year ended December 31, 2018

	2018	2017
	\$	\$
Operating activities		
Annual surplus	124,308	188,438
Items not affecting cash		
Amortization	18,038	25,629
Loss on disposal of tangible capital assets	1,188	320
Changes in non-cash operating working capital items		
Accounts receivable	2,561	(4,457)
Due from City of Burlington	(135,923)	(23,604)
Prepaid expenses	—	1,200
Accounts payable and accrued liabilities	(13,247)	35,052
Deferred revenue	1,607	(2,161)
	(1,468)	220,417
Capital activity		
Purchase of tangible capital assets	(6,081)	(2,012)
Net change in cash	(7,549)	218,405
Cash, beginning of year	812,931	594,526
Cash, end of year	805,382	812,931
Cash consists of the following		
Ireland House Museum cash	530,029	465,636
Joseph Brant Museum cash	275,353	347,295
	805,382	812,931

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

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
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.

Burlington Museums Board
Notes to the financial statements
December 31, 2018

3. Due from City of Burlington

Balances due from the City of Burlington are non-interest bearing and have no set terms of collection.

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 2018, the Board contributed \$37,874 (\$29,031 in 2017) to OMERS.

5. Accumulated surplus

	2018	2017
	\$	\$
Consists of		
Reserves set aside by the Board		
Joseph Brant general reserve	138,648	36,284
Joseph Brant project reserve	155,630	151,563
Joseph Brant transformation project reserve	919,377	895,352
Ireland House general reserve	211,081	196,791
Ireland House project reserve	93,321	112,690
	1,518,057	1,392,680
Surpluses		
Invested in tangible capital assets	35,533	48,678
General fund	533,209	521,133
	568,742	569,811
Accumulated surplus	2,086,799	1,962,491

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, 2018

6. Budget figures

The budgets originally approved by the Burlington Museums Board for 2018, 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	
Budgeted annual surplus	
Adjustments to the adopted budget	
Amortization of tangible capital assets	(18,038)
Budgeted deficit per statement of operations	(18,038)

7. Tangible capital assets

	Cost \$	Accumulated amortization \$	2018 Net book value \$
Ireland House Museum			
Computer equipment	30,864	25,543	5,321
Machinery and equipment	141,056	113,539	27,517
	171,920	139,082	32,838
Joseph Brant Museum			
Machinery and equipment	41,010	38,315	2,695
Net book value of tangible capital assets	212,930	177,397	35,533
	Cost \$	Accumulated amortization \$	2017 Net book value \$
Ireland House Museum			
Computer equipment	24,786	22,594	2,192
Machinery and equipment	144,665	105,271	39,394
	169,451	127,865	41,586
Joseph Brant Museum			
Machinery and equipment	75,349	68,257	7,092
Net book value of tangible capital assets	244,800	196,122	48,678

