Financial statements of

The Trust Funds of the Corporation of the City of Burlington

December 31, 2019

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Independent Auditor's Report

To the Members of Council of the
Corporation of the City of Burlington

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the City of Burlington (the "Trust Funds"), which comprise the statement of financial position as at December 31, 2019, and the statement of financial activities and fund balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2019, and the results of its operations, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Trust Funds derive 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 contributions revenue, excess of revenue over expenses and cash flows from operating activities for the years ended December 31, 2019 and 2018, assets as at December 31, 2019 and 2018, and fund balances as at January 1 and December 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly, because of the possible effects of this scope limitation.

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 Trust Funds 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 qualified 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 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.

In preparing the financial statements, management is responsible for assessing the Trust Funds' 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

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

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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 Trust Funds' 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 Trust Funds' 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 Trust Funds 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.

Chartered Professional Accountants
Licensed Public Accountants
September __, 2020

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The Trust Funds of the Corporation of the City of Burlington

Statement of financial activities and fund balances

Year ended December 31, 2019

(In thousands of dollars)

	Advanced building permits $	Developer performance deposits $	Landscape deposits and contractual holdbacks $	POA Trust $	Cemetery Trust Fund $	2019 Total $	2018 Total $
Revenue							
Contributions	—	—	3,237	50	41	3,328	2,335
Interest earned	—	—	—	148	—	148	142
	—	—	3,237	198	41	3,476	2,477
Expenses							
Contribution refunds	—	219	1,401	1,772	—	3,392	1,915
Excess (deficiency) of revenue over expenses	—	(219)	1,836	(1,574)	41	84	562
Fund balance, beginning of year	289	620	9,457	6,765	1,292	18,423	17,861
Fund balance, end of year	289	401	11,293	5,191	1,333	18,507	18,423

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

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The Trust Funds of the Corporation of the City of Burlington

Statement of financial activities and fund balances

As at December 31, 2019

(In thousands of dollars)

	Notes	Advanced building permits $	Developer performance deposits $	Landscape deposits and contractual holdbacks $	POA Trust $	Cemetery Trust Fund $	2019 Total $	2018 Total $
Assets								
Cash		—	—	—	—	**126**	**126**	98
Investments	2							
Provincial		—	—	—	—	**796**	**796**	747
Municipal - other		—	—	—	—	**411**	**411**	447
Deposits	3	**289**	**401**	**11,293**	**5,191**	—	**17,174**	17,131
		289	**401**	**11,293**	**5,191**	**1,333**	**18,507**	18,423
Fund balances								
Capital		**289**	**401**	**11,293**	**5,191**	**1,333**	**18,507**	18,423

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

Approved by the Board

_____, Director

_____, Director

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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, expenses, 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 $1,207 ($1,194 in 2018) recorded on the statement of financial position at cost, has a market value of $1,183 ($1,169 in 2018) as at the end of the year.

3. Deposits

Deposit receipts reported on the statement of financial position of $17,174 ($17,131 in 2018) 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.

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