
Financial statements of Burlington Museums Board

December 31, 2020

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Independent Auditor's Report

To the Members of the Burlington Museums Board

Opinion

We have audited the financial statements of Burlington Museums Board (the "Board"), which comprise the statement of financial position as at December 31, 2020, 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 Board as at December 31, 2020, 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 Board 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 Board's 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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's 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 Board's 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 Board's 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 Board 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
April 23, 2021

Burlington Museums Board
Statement of financial position
Year ended December 31, 2020

	Notes	2020	2019
		\$	\$
Financial assets			
Cash		1,022,515	1,090,727
Accounts receivable		6,241	12,191
Due from City of Burlington	3	625,140	251,850
		1,653,896	1,354,768
Liabilities			
Accounts payable and accrued liabilities		54,348	47,777
Due to City of Burlington		—	50,778
Deferred revenue		111,104	6,222
		165,452	104,777
Net financial assets		1,488,444	1,249,991
Non-financial assets			
Prepaid expenses		141	—
Tangible capital assets	7	33,516	39,137
		33,657	39,137
Accumulated surplus	5	1,522,101	1,289,128

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

Burlington Museums Board**Statement of operations**

Year ended December 31, 2020

	2020 Budget (Note 6)	2020 Actual	2019 Actual
	\$		\$
Revenue			
Municipal contribution			
Operating	845,431	845,431	712,954
Capital	620,000	620,000	104,000
Ontario grants	29,373	29,373	30,376
Federal grants/employment grants	—	—	10,323
Admissions and program revenue	246,305	45,001	147,792
Other income	39,773	15,580	33,340
Interest earned in reserves	—	16,527	38,495
	1,780,882	1,571,912	1,077,280
Expenses			
Amortization	12,253	12,253	13,454
Collections management	15,734	851	13,529
Fee Waiver - JB Day	1,335	—	1,313
General office materials	36,740	18,068	16,281
Insurance	9,050	2,658	5,343
Loss on disposal of tangible capital assets	—	—	1,054
Museums programs	170,461	119,117	164,116
Professional fees	5,540	5,096	6,192
Purchases of inventory	17,782	7,854	8,474
Repairs and maintenance	28,419	22,026	56,280
Salaries, wages and benefits	797,762	582,385	591,889
Salaries, wages and benefits - grants	7,004	—	13,631
Staff development and travel	4,733	3,914	2,931
Telephone and utilities	66,322	64,717	36,539
Joseph Brant Museum Transformation	500,000	500,000	943,925
	1,673,135	1,338,939	1,874,951
Annual surplus (deficit)	107,747	232,973	(797,671)
Accumulated surplus, beginning of year	1,289,128	1,289,128	2,086,799
Accumulated surplus, end of year	1,396,875	1,522,101	1,289,128

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, 2020

	Budget	2020	2019
	\$	\$	\$
Annual surplus (deficit)	107,747	232,973	(797,671)
Acquisition of tangible capital assets	—	(6,632)	(18,112)
Loss on disposal of tangible capital assets	—	—	1,054
Amortization of tangible capital assets	12,253	12,253	13,454
	12,253	5,621	(3,604)
Acquisition of prepaid expenses	—	(141)	—
Change in net financial assets	120,000	238,453	(801,275)
Net financial assets, beginning of year	1,249,991	1,249,991	2,051,266
Net financial assets, end of year	1,369,991	1,488,444	1,249,991

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

Burlington Museums Board**Statement of cash flows**

Year ended December 31, 2020

	2020	2019
	\$	\$
Operating activities		
Annual surplus (deficit)	232,973	(797,671)
Items not affecting cash		
Amortization	12,253	13,454
Loss on disposal of tangible capital assets	—	1,054
Changes in non-cash operating working capital items		
Accounts receivable	5,950	(7,650)
Due from City of Burlington	(424,068)	1,096,481
Prepaid expenses	(141)	—
Accounts payable and accrued liabilities	6,571	(3,968)
Deferred revenue	104,882	1,757
	(61,580)	303,457
Capital activity		
Purchase of tangible capital assets	(6,632)	(18,112)
Net change in cash	(68,212)	285,345
Cash, beginning of year	1,090,727	805,382
Cash, end of year	1,022,515	1,090,727
Cash consists of the following		
Ireland House Museum cash	654,199	739,433
Joseph Brant Museum cash	368,316	351,294
	1,022,515	1,090,727

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 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	5 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.

2. Accounting policies (continued)

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 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 2020, the Board contributed \$30,656 (\$39,626 in 2019) to OMERS.

5. Accumulated surplus

	2020	2019
	\$	\$
Consists of		
Reserves set aside by the Board		
Joseph Brant general reserve	210,306	203,991
Joseph Brant project reserve	164,052	159,785
Ireland House general reserve	310,306	191,218
Ireland House project reserve	92,176	89,779
	776,840	644,773
Surpluses		
Invested in tangible capital assets	33,516	39,137
General fund	711,745	605,218
	745,261	644,355
Accumulated surplus	1,522,101	1,289,128

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 represented funds set aside for the renovation and expansion of the Joseph Brant Museum project. As the project is substantially complete, the reserve fund balance of \$500,000 has been transferred to the project.

6. Budget figures

The budgets originally approved by the Burlington Museums Board for 2020, 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	120,000
Adjustments to the adopted budget	
Amortization of tangible assets	(12,253)
Budgeted surplus per statement of operations	107,747

7. Tangible capital assets

	Cost	Accumulated amortization	2020 Net book value
	\$	\$	\$
Ireland House Museum			
Computer equipment	19,040	19,040	—
Machinery and equipment	148,516	124,064	24,452
	167,556	143,104	24,452
Joseph Brant Museum			
Computer equipment	9,666	6,444	3,222
Machinery and equipment	40,806	34,964	5,842
	50,472	41,408	9,064
Net book value of tangible capital assets	218,028	184,512	33,516

	Cost	Accumulated amortization	2019 Net book value
	\$	\$	\$
Ireland House Museum			
Computer equipment	19,040	18,508	532
Machinery and equipment	141,176	109,727	31,449
	160,216	128,235	31,981
Joseph Brant Museum			
Computer equipment	9,666	3,222	6,444
Machinery and equipment	34,173	33,461	712
	43,839	36,683	7,156
Net book value of tangible capital assets	204,055	164,918	39,137

8. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial position, results of operations and cash flows of the Board in future periods.