
Financial statements of
Burlington Museums Board

December 31, 2021

Draft

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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, 2021, 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, 2021, 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.

Chartered Professional Accountants
Licensed Public Accountants
[DATE]

Burlington Museums Board
Statement of financial position
As at December 31, 2021

	Notes	2021 \$	2020 \$
Assets			
Cash		902,099	1,022,515
Accounts receivable		61,601	6,241
Due from City of Burlington	3	720,457	625,140
		1,684,157	1,653,896
Liabilities			
Accounts payable and accrued liabilities		52,795	54,348
Deferred revenue		1,418	111,104
		54,213	165,452
Net financial assets		1,629,944	1,488,444
Non-financial assets			
Prepaid expenses		154	141
Tangible capital assets	7	86,424	33,516
		86,578	33,657
Accumulated surplus	5	1,716,522	1,522,101

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

Approved by the Board

_____, Director

_____, Director

Burlington Museums Board
Statement of operations
Year ended December 31, 2021

	2021	2021	2020
	Budget	Actual	Actual
	\$	\$	\$
	(Note 6)		
Revenue			
Municipal contribution			
Operating	738,126	738,126	845,431
Capital	117,800	392,800	620,000
Ontario grants	29,373	34,489	29,373
Federal grants/employment grants	—	127,254	—
Admissions and program revenue	63,552	52,155	45,001
Other income	15,600	23,490	15,580
Interest earned in reserves	—	18,888	16,527
	964,451	1,387,202	1,571,912
Expenses			
Amortization	27,523	27,523	12,253
Collections management	4,000	7,158	851
General office materials	23,890	20,733	18,068
Insurance	9,050	4,359	2,658
Museums programs	80,976	78,237	119,117
Professional fees	6,540	5,176	5,096
Purchases of inventory	4,000	4,227	7,854
Repairs and maintenance	48,000	106,391	22,026
Salaries, wages and benefits	607,191	594,810	582,385
Salaries, wages and benefits - grants	7,004	6,967	—
Staff development and travel	2,000	629	3,914
Telephone and utilities	54,000	61,572	64,717
Joseph Brant Museum transformation	—	275,000	500,000
	874,174	1,192,782	1,338,939
Annual surplus	90,277	194,421	232,973
Accumulated surplus, beginning of year	1,522,101	1,522,101	1,289,128
Accumulated surplus, end of year	1,612,378	1,716,522	1,522,101

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, 2021

	Budget \$	2021 \$	2020 \$
Annual surplus	90,277	194,421	232,973
Acquisition of tangible capital assets	—	(80,431)	(6,632)
Amortization of tangible capital assets	27,523	27,523	12,253
	27,523	(52,908)	5,621
Change in prepaid expenses	—	(13)	(141)
Change in net financial assets	117,800	141,500	238,453
Net financial assets, beginning of year	1,488,444	1,488,444	1,249,991
Net financial assets, end of year	1,606,244	1,629,944	1,488,444

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

Draft

Burlington Museums Board**Statement of cash flows**

Year ended December 31, 2021

	2021	2020
	\$	\$
Operating activities		
Annual surplus	194,421	232,973
Items not affecting cash		
Amortization	27,523	12,253
Changes in non-cash operating working capital items		
Accounts receivable	(55,360)	5,950
Due from City of Burlington	(95,317)	(424,068)
Prepaid expenses	(13)	(141)
Accounts payable and accrued liabilities	(1,553)	6,571
Deferred revenue	(109,686)	104,882
	<u>(39,985)</u>	<u>(61,580)</u>
Capital activity		
Purchase of tangible capital assets	(80,431)	(6,632)
Net change in cash	(120,416)	(68,212)
Cash, beginning of year	1,022,515	1,090,727
Cash, end of year	<u>902,100</u>	<u>1,022,515</u>
Cash consists of the following		
Ireland House Museum cash	625,555	654,199
Joseph Brant Museum cash	276,544	368,316
	<u>902,099</u>	<u>1,022,515</u>

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.

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.

2. Accounting policies (continued)

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 2021, the Board contributed \$36,444 (\$30,656 in 2020) to OMERS.

5. Accumulated surplus

	2021	2020
	\$	\$
Consists of		
Reserves set aside by the Board		
Joseph Brant general reserve	288,049	210,306
Joseph Brant project reserve	168,040	164,052
Ireland House general reserve	390,480	310,306
Ireland House project reserve	94,417	92,176
	940,986	776,840
Surpluses		
Invested in tangible capital assets	86,424	33,516
General fund	689,112	711,745
	775,536	745,261
Accumulated surplus	1,716,522	1,522,101

Project reserves

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

Burlington Museums Board
Notes to the financial statements
December 31, 2021

6. Budget figures

The budgets originally approved by the Burlington Museums Board for 2021, 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	117,800
Adjustments to the adopted budget	
Amortization of tangible assets	(27,523)
Budgeted surplus per statement of operations	<u>90,277</u>

7. Tangible capital assets

	Cost \$	Accumulated amortization \$	2021 Net book value \$
Ireland House Museum			
Computer equipment	19,040	19,040	—
Machinery and equipment	198,550	140,175	58,375
	<u>217,590</u>	<u>159,215</u>	<u>58,375</u>
Joseph Brant Museum			
Computer equipment	26,444	13,755	12,689
Machinery and equipment	54,426	39,066	15,360
	<u>80,870</u>	<u>52,821</u>	<u>28,049</u>
Net book value of tangible capital assets	<u>298,460</u>	<u>212,036</u>	<u>86,424</u>

	Cost \$	Accumulated amortization \$	2020 Net book value \$
Ireland House Museum			
Computer equipment	19,040	19,040	0
Machinery and equipment	148,516	124,064	24,452
	<u>167,556</u>	<u>143,104</u>	<u>24,452</u>
Joseph Brant Museum			
Computer equipment	9,666	6,444	3,222
Machinery and equipment	40,806	34,964	5,842
	<u>50,472</u>	<u>41,408</u>	<u>9,064</u>
Net book value of tangible capital assets	<u>218,028</u>	<u>184,512</u>	<u>33,516</u>