



Audit Committee  
Agenda

**Date:** June 10, 2026  
**Time:** 3:30 p.m.  
**Location:** Council Chambers, City Hall, second floor  
**Contact:** Committee Clerk, Suzanne.Gillies@burlington.ca, 905-335-7777, x 7862

Pages

**1. Call to Order**

**2. Land Acknowledgement**

Burlington as we know it today is rich in history and modern traditions of many First Nations and the Métis. From the Anishinaabeg to the Haudenosaunee and the Métis – our lands spanning from Lake Ontario to the Niagara Escarpment are steeped in Indigenous history.

The territory is mutually covered by the Dish with One Spoon Wampum Belt Covenant, an agreement between the Iroquois Confederacy, the Ojibway and other allied Nations to peaceably share and care for the resources around the Great Lakes.

We acknowledge that the land on which we gather is part of the Treaty Lands and Territory of the Mississaugas of the Credit.

**3. Approval of the Agenda**

**4. Declarations of Interest**

## 5. Delegations

Standing committee and City Council meetings are held at city hall, 426 Brant St. Requests to speak at this meeting can be made by completing the online delegation registration form at [www.burlington.ca/delegate](http://www.burlington.ca/delegate), by submitting a written request by email to Legislative Services at [clerks@burlington.ca](mailto:clerks@burlington.ca) or by phoning 905-335-7777, ext. 7481 by noon the business day before the meeting date.

If you do not wish to speak, but would like to submit your comments in writing, please email your comments to [clerks@burlington.ca](mailto:clerks@burlington.ca). Written correspondence will be circulated to committee members.

## 6. Presentations

## 7. Consent Items

Reports of a routine nature, which are not expected to require discussion and/or debate. Staff may not be in attendance to respond to queries on items contained in the Consent Agenda.

- |     |  |         |
|-----|--|---------|
| 7.1 | Status of Management Action Plans (AUD-07-26)  | 1 - 8   |
|     | Receive for information office of the city auditor report AUD-07-26 regarding status of Management Action Plans for Q1 2026.   |         |
| 7.2 | Quarterly dashboard for the office of the city auditor (AUD-08-26)   | 9 - 12  |
|     | Receive for information office of the city auditor report AUD-08-26 regarding quarterly dashboard for the office of the city auditor as of Q2 2026 attached as Appendix A. |         |
| 7.3 | Whistleblower Program update (AUD-09-26)   | 13 - 18 |
|     | Receive for information office of the city auditor report AUD-09-26 regarding an update about the Whistleblower Program.   |         |
| 7.4 | Financial Highlights for the period ended March 31, 2026 (FIN-08-26)   | 19 - 25 |
|     | Receive for information finance report FIN-08-26 regarding the financial highlights for the period ended March 31, 2026.   |         |

## 8. Regular Items

- 8.1 Report recommending approval of the 2025 consolidated financial statements as audited by Deloitte LLP (FIN-07-26)

Approve the 2025 Consolidated Financial Statements for the City of Burlington as audited by Deloitte LLP attached as Appendix A to finance report FIN-07-26; and

Approve the 2025 Financial Statements for the Trust Funds of the City of Burlington as audited by Deloitte LLP attached as Appendix B; and

Authorize the Chief Financial Officer to publish the statements on the City's website.

## **9. Confidential Items and Closed Meeting**

Confidential reports may require a closed meeting in accordance with the Municipal Act, 2001. Meeting attendees may be required to leave during the discussion.

- 9.1 Confidential Appendix B regarding status of management action plans (AUD-07-26)

Pursuant to Section 239(2)(a) of the Municipal Act, the security of the property of the municipality or local board

## **10. Rise and Report**

## **11. Information Items**

## **12. Staff Remarks**

## **13. Committee Remarks**

## **14. Adjournment**

SUBJECT: Status of Management Action Plans

TO: Audit Committee

FROM: Corporate Affairs  
City Auditor

Report Number: AUD-07-26

Wards Affected: Not applicable

Date to Committee: June 10, 2026

Date to Council: June 23, 2026

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## **Recommendation:**

Receive for information office of the city auditor report AUD-07-26 regarding status of Management Action Plans for Q1 2026.

## **Executive Summary**

### **Purpose of report:**

- The City Auditor follows up with Management about the progress of all past audit recommendations. This is a quarterly report that summarizes that progress.

### **Key findings:**

- Progress has been demonstrated by Management since the last quarterly update. Six Management Action Plans have been completed. Details are provided in Appendix A and confidential Appendix B.

### **Implications:**

- Management is responsible for addressing recommendations from past audit reports. The City Auditor will continue to follow up until all recommendations are completed and reported to Audit Committee.

# Information Report

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**Background**

At the conclusion of most audit projects, the City Auditor provides an audit report to Management which typically identifies one or more recommendations for Management to address. Management’s responses to these recommendations are called ‘Management Action Plans’ (MAPS).

Standard 15.2 of the Global Internal Auditing Standards sets out requirements of internal auditors to ensure that Management Action Plans have been effectively implemented. This applies in all cases except where "senior management has accepted the risk of not taking action". The City Auditor follows-up regularly with Management in departments/divisions that previously received audit projects to ensure that there is progress against their respective MAPS. The following report to Audit Committee (submitted quarterly) is a summary of that progress.

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**Status**

Below is a summary of the In-Progress Management Action Plans (MAPS) from the last report to Audit Committee on March 4, 2026 (Report AUD-01-26).

Audit Project Name:	High	Medium	Low	
Cyber-Security Audit (2022-Identify)	0	0	0	
Environmental Stewardship Strategies Audit	0	3	0	
Cyber-Security Audit (2023-Protect)	1	1	0	
Procurement Audit	0	0	1	
Cyber-Security Audit (2024-Detect & Respond)	1	2	0	
Community Grants Audit	0	0	5	
	2	6	6	Total In-Progress

Below is a summary of the in-progress MAPS as of June 10, 2026:

Audit Project Name:	High	Medium	Low	
Cyber-Security Audit (2022-Identify)	0	0	0	
Environmental Stewardship Strategies Audit	0	0	0	
Cyber-Security Audit (2023-Protect)	0	1	0	
Procurement Audit	0	0	0	
Cyber-Security Audit (2024-Detect & Respond)	1	1	0	
Community Grants Audit	0	0	1	
AVL Audit	0	2	0	
	1	4	1	Total In-Progress

The City Auditor reviewed the detailed progress updates from Management against the original Management Action Plans from the audit report (see Appendix-A and Confidential Appendix-B); six were successfully completed over the past quarter.

The tables above indicate the remaining (or incomplete) MAPS. The City Auditor will continue to follow up with accountable Management until all MAPS are complete. Please note that past Cyber-Security Audits were presented to Audit Committee 'in-camera' and as a result, quarterly updates will be reported confidentially going forward.

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### **Key Dates & Milestones**

This report is an accountability and transparency mechanism that occurs on a quarterly basis. The next report to Audit Committee in this regard will be in Q3 2026.

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### **Implications**

There is no immediate financial impact from this report, however there may be a financial impact from staff executing their respective Management Action Plans; those impacts would be captured through the annual budget process (from the respective operating departments).

There are no immediate climate impacts from this report. The City Auditor's follow-up process was conducted entirely remotely which saved vehicular trips to City facilities, thereby reducing greenhouse gas emissions. Meeting materials and audit evidence were entirely sent electronically, thereby reducing the consumption of paper.

Staff from RCC, RPF, Community Planning, and Burlington Digital Services teams contributed their time to provide progress updates in this report. That time was not measured.

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### **References**

[AUD-01-26](#) - Status of Management Action Plans (Q1 2026)

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### **Strategic Alignment**

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

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City Auditor

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**Appendices:**

- A. Detailed summary of Management Action Plans
- B. Confidential: Detailed summary of Management Action Plans re: Cyber-Security Audits

**Report Approval:**

All reports are reviewed and approved by the Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

AUD-07-26 - Appendix-A: Outstanding Management Action Plans as of May 21, 2026

Department	Function	Audit Report	Audit Report Date	Audit Finding Number	Risk Rating	Details of Audit Issue				Number of:		Owner	
						Audit Recommendation	Management Action Plan	Expected Completion Date	Revised Completion Date	Status	Days Past Due		Times Completion Date Revised
Development & Growth	Heritage	Community Grants Audit	21-Feb-25	1	Low	<p>1. Rename the CHF to explicitly refer to it as a grant program, comparable to other municipalities.</p> <p>2. Restructure the CHF to remove the loan option. Update the Organizational Policy, Procedures Manual, Info Sheet and Heritage Conservation Agreement accordingly.</p> <p>3. Community Planning staff in consultation with Corporate Communications should develop and execute a communications campaign to provide additional messaging to heritage designated property owners about the existence of the CHF. City staff may consider direct annual mail-outs to heritage designated properties (which is a common tactic in benchmarked municipalities).</p> <p>4. Increase the matching rate to 50% which is consistent with most other comparable municipalities.</p> <p>5. Community Planning staff should update the Procedure Manual to reflect the current business process as well as the future state envisioned with all audit recommendations.</p>	<p>1. Chloe Richer (Senior Planner, Heritage) will prepare a staff report to amend the Community Heritage Fund bylaw, renaming the CHF to explicitly refer to its grant program, by Q3 2025.</p> <p>2. Community Planning will keep the loan option for now and re-evaluate the program after launching a Communications Plan with Corporate Communications and after new Part IV and Part V heritage properties are designated in 2025.</p> <p>3. Chloe Richer (Senior Planner, Heritage) will consult with Corporate Communications to develop and execute a communications campaign to provide additional messaging to heritage designated property owners about the existence of the Community Heritage Fund, by Q3 2025.</p> <p>4. Chloe Richer (Senior Planner, Heritage) will prepare a staff report to amend the Community Heritage Fund bylaw, increasing the matching rate to 50%, by Q3 2025.</p> <p>5. Chloe Richer (Senior Planner, Heritage) will update the Procedural Manual to reflect the current business process as well as the future state envisioned with all audit recommendations, by Q4 2025.</p>	Q4 2025	<p>1. Q4 2025</p> <p>2. Q1 2026</p> <p>4. Q4 2025</p> <p>4. Q4 2025</p>	<p><b>June 10, 2026 - COMPLETE:</b></p> <p>2. In Q1 2026, Heritage staff worked with Corporate Communications staff on a Heritage Grant Program – Loan Component Survey. As only 50% of respondents were aware of the loan component and 25% of respondents are either likely or very likely to apply for a loan through the Program (with 18.8% as neutral, 25% as unlikely and 31.2% as very unlikely), Heritage staff recommend keeping the loan option in place and continuing to monitor uptake.</p> <p><b>March 4, 2026 - IN PROGRESS:</b></p> <p>1. Completed.</p> <p>2. No update on loan option. No new loan applications were received in 2025.</p> <p>3. Complete.</p> <p>4. Complete.</p> <p>5. Complete.</p> <p><b>Dec 3, 2025 - IN PROGRESS:</b></p> <p>1. Delegated Approval report drafted to amend the Community Heritage Fund bylaw, renaming the CHF to explicitly refer to its grant program. The draft bylaw has been shared with Legal staff for their review. Target: Q4 2025.</p> <p>2. No update. No new loan applications have been received in 2025.</p> <p>3. Complete.</p> <p>4. Delegated Approval report drafted to amend the Community Heritage Fund bylaw, increasing the matching rate to 50%. The draft bylaw has been shared with Legal staff for their review.</p> <p>5. Ongoing; minor updates have been added as needed. A fulsome update will be conducted following the completion of related action items.</p> <p><b>Sept 10, 2025 - IN PROGRESS:</b></p> <p>1. At Todd Evershed's direction, renaming of the CHF to "Heritage Grant Program" can be communicated to Council via an email or CIP memo instead of a staff report, since Council is already aware of the recommendation through the Audit Report. The bylaw will be updated in relation to Action Item #4, and the formal renaming can be included at that time.</p> <p>2. No update.</p>	-	1	Todd Evershed, Supervisor of Special Projects & Urban Design
Community Services	RCC Arts & Community Development	Community Grants Audit	21-Feb-25	3	Low	<p>1. Combine the CDF and NCMF programs and remove the matching component.</p> <p>2. Rename the BACF, CDF and NCMF (if Management opts to retain this program) to explicitly refer to it as a grant program, comparable to other municipalities.</p> <p>3. Insert a requirement into the CDF Letter of Agreement to publically acknowledge the City of Burlington's grant contribution where possible.</p> <p>4. Create unique Workday cost centers for LMN, CDF and NCMF (if Management opts to retain this program) to facilitate clear and efficient financial analysis and reporting. Prepare an annual accrual for Finance if the aggregate grant commitments exceed \$25,000.</p> <p>5. Create a Grant Advisory Committee to review and approve CDF and NCMF (if Management opts to retain this program) grants over a certain threshold (i.e. \$5000).</p> <p>6. Conduct a survey of CDF, NCMF and LMN grantees requesting feedback for further improvements. Staff may consider using the City's Get-Involved survey portal to obtain feedback directly from past grantees.</p>	<p>Note: the full Management Action Plan is truncated for the purposes of fitting onto one page. Full response found in AUD-03-25; Appendix-A (page 12). The overall response provided by Emilie Cote, Director, RCC:</p> <p>All audit recommendations will be considered by the Grant Review Working Committee. Finalized implementation strategies for all process improvements will be reported by Q4 of 2025. Operational approvals will be sought through Management and any recommendations for CIP updates will be directed to Council subsequently as required.</p>	Q4 2025	Q1 2026	<p><b>June 10, 2026 - COMPLETE:</b></p> <ul style="list-style-type: none"> <li>Program Codes have been created for grant streams to assist with clear and efficient financial analysis and reporting</li> <li>A line has been inserted into templates for CDF Letter of Agreements around public acknowledgement of the City of Burlington grant contribution where possible.</li> <li>The Neighbourhood Community Matching Fund has been changed to Building Community Together Grant</li> </ul> <p><b>March 4, 2026 - IN PROGRESS:</b></p> <p>Funding stewards, community input, and comparator municipal models have informed the refresh of the Community Investment Policy. Over the past several months, staff integrated current operational best practices and key strategic documents including the Live and Play Plan and the newly developed Culture Plan, into the updated policy to strengthen strategic alignment, reflect community priorities, and reinforce accountability, transparency, and equity. The revised policy has achieved broad consensus across departments and program administrators and is now ready for Committee consideration in March 2026. It will be included as an appendix to Report CSS-04-26, which outlines the rationale for the update and provides a status report on continuous improvements to the RCC grant program review.</p> <ul style="list-style-type: none"> <li>Pending Council's direction on repealing the former policy and approving the updated version, starting in March, staff will proceed with aligning related Standard Operating Procedures to ensure full implementation in 2027.</li> <li>An application guide was developed and piloted in Q3-Q4 for the Community Development Grant (CDG), resulting in higher quality and more strategically aligned proposals.</li> <li>A December 2025 recipient survey reported a 100% valued and positive experience, confirming that while website information requires improvement, staff support was clear, timely, and effective.</li> <li>A unified intake window for the three grant streams will be introduced, with CDG offering a second early summer intake. This change will improve workflow for grant stewards and enhance funding allocation forecasting.</li> </ul>		1	Emilie Cote, Director, RCC

Department	Function	Audit Report	Audit Report Date	Audit Finding Number	Risk Rating	Details of Audit Issue				Number of:		Owner	
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Community Services	RCC Arts & Community Development	Community Grants Audit	21-Feb-25	4	Low	<p>1. RCC should define a specific application window (time period when grant applications are received from the public) for CDF and LMN; and then optimize its staffing around those dates. Should Management accept this recommendation; update the Community Investment Policy accordingly.</p> <p>2. Re-design the application form for BACF and CDF for applicants who are re-applying in consecutive years to include an attestation that their information is identical from their last application. Alternatively, RCC may consider providing multi-year grants to select organizations which is a common tactic for some municipalities.</p> <p>3. Re-design the application form for BACF, CDF, LMN and NCMF to include the grant program terms and conditions from the Letter of Agreement.</p> <p>4. Remove the requirement in the LMN to provide receipts; insert a condition that applicants must retain receipts for a defined period of time (i.e. 3 months after the event) subject to random spot-checking by RCC staff.</p> <p>5. RCC staff should engage Finance staff to design an inbound EIB (Enterprise Interface Builder) to transfer approved grant installments/payments into Workday from one document to replace multiple manual cheque requisitions where possible.</p> <p>6. RCC should engage the Burlington Digital Services team to investigate the feasibility of on-boarding an online portal for managing their grant programs</p>	Similar to Audit Finding #3, all audit recommendations will be considered by the Grant Review Working Committee. Finalized implementation strategies for all process improvements will be reported by Q4 of 2025. Operational approvals will be sought through Management and any recommendations for CIP updates will be directed to Council subsequently as required.	Q4 2025	Q1 2026	<p><b>June 10, 2026 - COMPLETE:</b></p> <ul style="list-style-type: none"> <li>A new Community Investment policy was approved by Council March 2026 (report CSS-04-26)</li> <li>A fulsome grant discussion will be taking place May 25th, 2026 with administrators to discuss items such as intake window(s), redesign of forms, etc.</li> <li>LMN process has been streamlined; however, receipts will continue to be requested as a check that they spent the funds on agreed upon items. Receipts are asked to be kept for 12 months.</li> </ul> <p><b>March 4, 2026 - IN PROGRESS:</b> Fulsome response provided for all RCC Management Action Plans provided in the cell noted above.</p> <p><b>Dec 3, 2025 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>Planning continues building on (1) below.</li> <li>Grant Software if approved, will address this matter. Consensus on providing annual and multiyear grant agreements and the procedural documents associated with this have been drafted and are ready for implementation once socialization among all depts/ sections/ positions concerned has been completed. Timeline TBD. Anticipating '26 Q1.</li> <li>Teams are ready to adjust once final approvals are in place.</li> <li>Typically LMN applicants only use part of funds provided. For this reason procedures may remain as is in this Grant Program yet TBD.</li> <li>As below. This remains in progress and sits with ARB at this time. An update report to council has been drafted and at the ready should expenses to implement the software be significant and require Council approval.</li> </ol> <p><b>Sept 10, 2025 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>Intake windows have been decided for all grants with LMN continuing with continuous intake thereby balancing workflows across the year for this grant.</li> <li>Consensus reached. To address by Q3</li> <li>Consensus reached. To address by Q3</li> <li>In discussion – general agreement for spot check process implementation. <i>Inter-dept discussions to ensue. To address by Q3.</i></li> </ol>		1	Emilie Cote, Director, RCC
Community Services	RCC Arts & Community Development	Community Grants Audit	21-Feb-25	5	Low	<p>1. RCC should prepare an annual report to Council through its Committee of the Whole (or alternatively through the Council Information Package) to identify the results of its CDF, NCMF and LMN programs (in coordination with BACF). Reporting to Council should include key performance indicators such as # of applications received vs. approved, dollars granted and a summary of the grant recipients including the scope/nature of the event/project/work completed. Qualitative information such as testimonials from grantees may also be beneficial in this regard.</p> <p>2. RCC should work in conjunction with Corporate Communications &amp; Engagement to prepare a media release summarizing the information reported to Council.</p> <p>3. RCC should post this report to its Community Development website in the same manner that NCMF/BACF annual results are publically reported.</p>	Similar to Audit Finding #3, all audit recommendations will be considered by the Grant Review Working Committee. Finalized implementation strategies for all process improvements will be reported by Q4 of 2025. Operational approvals will be sought through Management and any recommendations for CIP updates will be directed to Council subsequently as required.	Q4 2025	Q1 2026	<p><b>June 10, 2026 - IN PROGRESS:</b></p> <ul style="list-style-type: none"> <li>As previously stated, staff aim to transition to collective outcomes reporting to Council across all RCC grant programs by 2027.</li> </ul> <p><b>March 4, 2026 - IN PROGRESS:</b> Fulsome response provided for all RCC Management Action Plans provided in the cell noted above.</p> <p><b>Dec 3, 2025 - IN PROGRESS:</b> All items remain in progress, as listed below and are contingent on Jan '26 report direction. At this time all items have consensus and await implementation in logical sequence.</p> <p><b>Sept 10, 2025 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>Consensus reached. Feb 2026 will see implementation begin jointly with BACF and all other grants reporting collated in single update to council.</li> <li>No progress at this time. To address.</li> <li>Agreement reached. Implementation to follow.</li> </ol> <p><b>June 11, 2025 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>Consensus reached. 2025 will see implementation begin.</li> <li>No progress at this time. To address.</li> <li>As above.</li> </ol>	161	1	Emilie Cote, Director, RCC

Department	Function	Audit Report	Audit Report Date	Details of Audit Issue				Number of:		Owner			
				Audit Finding Number	Risk Rating	Audit Recommendation	Management Action Plan	Expected Completion Date	Revised Completion Date		Days Past Due	Times Completion Date Revised	
Public Works	Corporate Fleet Services	AVL Performance Audit	19-Nov-25	1	Medium	<p>Corporate Fleet Services should:</p> <ol style="list-style-type: none"> <li>1. Perform regular proactive trending analytics using the data rich environment in AVL and communicate key data trends around vehicle speeding, excessive idling, harsh driving behaviour or other vehicle/driver anomalies to the respective front-line People Leaders. Enable the "AVL Management Report" to be shared with People Leaders of staff with corporate vehicles in the AVL system. Communicate this functionality with the People Leaders. Work with the vendor to develop an email push notification to People Leaders on a periodic (i.e. quarterly basis) with a link to the report in AVL.</li> <li>2. Perform annual reporting of key trends directly to the Executive Leadership Team (XLT) and/or Senior Leadership Team (SLT).</li> <li>3. Corporate Fleet Services should increase its profile with corporate wide messaging about the AVL system and its capabilities. This can include (but is not limited to): <ul style="list-style-type: none"> <li>• Working with Corporate Communications to develop internal tactics that provide reminders to vehicle operators and People Leaders of vehicle operators</li> <li>• Communicating excessive vehicle idling occurrences to vehicle operators and their respective people leaders as well as the Environmental Sustainability Team as necessary.</li> <li>• Communicating repeated safety issues with Corporate Health, Safety &amp; Wellness group to develop joint messaging for safety talks</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. Fleet Services is currently working with Burlington Digital Services to import data via API to Power BI to create an automated report for an improved and customizable "AVL Management Report". Projected completion by Q2 2026. Quarterly/Biannual reports are expected and will be refined based on department feedback.</li> <li>2. Fleet Services will develop key trend reporting to XLT and SLT via slideshow presentation. CVOR rankings are currently reported to these groups as necessary.</li> <li>3. Fleet Services will continue to send communications through internal vehicle operator email mailing group as warranted. Furthermore, follow-up meetings will be initiated with select service areas based on trends within the above mentioned AVL Management Report.</li> </ol>	Q2 2026		<p><b>June 10, 2026 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>1. On Schedule: A database update was recently added for improved vehicle classifications. Currently finalizing recipient groups for the management report. Communications scheduled for June 2026.</li> <li>2. In conjunction with item 1.</li> <li>3. Ongoing communications.</li> </ol> <p><b>March 4, 2026 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>1. On Schedule: Power BI report is complete but requires a few minor output revisions. Working with analytics development team to complete by end of February 2026 for final presentation to Enrico and Scott. PowerPoint is also being drafted for presentation.</li> <li>2. Trend reporting will work in conjunction with Power Bi reports trend analysis. Enrico/Scott to determine if timely reporting and landing page on 360 is sufficient.</li> <li>3. Yes. Ongoing communications sent regarding vehicle inspections and hours of service compliance. Tailgate talk discussion was fleet safety focus this month.</li> </ol>	0	0	Enrico Scalara, Director, Parks, Roads & Forestry
Public Works	Corporate Fleet Services	AVL Performance Audit	19-Nov-25	2	Medium	<p>Corporate Fleet Services should:</p> <ol style="list-style-type: none"> <li>1. Engage People Leaders of staff with corporate vehicles by offering additional training opportunities. Work with Communications and Engagement team to develop a strategic communications plan that helps raise awareness about the AVL system, expectations and benefits. Corporate Fleet Services may consider annual "roadshows" to departments management meetings to provide on-site demonstrations, hosting optional drop-in sessions on MS Teams, or online self-service training on the Learning Management System.</li> <li>2. Enable People Leaders to set up their own alerts in the AVL system; or alternatively setup safety alerts (i.e. speeding, driving without a pre-trip inspection etc.) for People Leaders proactively by default (and disable on demand).</li> </ol>	<ol style="list-style-type: none"> <li>1. Fleet Services will implement annual AVL system awareness/refresh training with focus on people leaders who did not receive the original program training or are newly on-boarded.</li> <li>2. As part of the above noted training Fleet Services will communicate the availability of AVL alerts for people leaders to proactively monitor their vehicle operators.</li> </ol>	Q2 2026		<p><b>June 10, 2026 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>1. On Schedule: Training modules 3 of 4 complete. Waiting on Articulate access to convert modules for upload into Workday Learning. Expected completion by end of June 2026.</li> <li>2. Alerts are part of the training modules.</li> </ol> <p><b>March 4, 2026 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>1. Planning implementation and creation of training modules for later this year. Reviewing delivery method and Workday learning solutions.</li> <li>2. Setup of alerts will be a part of training modules.</li> </ol>	0	0	Enrico Scalara, Director, Parks, Roads & Forestry
Public Works	Corporate Fleet Services	AVL Performance Audit	19-Nov-25	3	Medium	<p>Corporate Fleet Services should:</p> <ol style="list-style-type: none"> <li>1. Refresh their detailed inventory of all AVL hardware/devices including those installed in corporate vehicles, contracted vehicles and spares inventory. Any exceptions noted with the AVL vendor should be itemized and reported back immediately.</li> <li>2. Develop a formal process within Corporate Fleet Services to track/monitor AVL hardware. Corporate Fleet Services may consider monitoring its AVL system within the next generation EAMS inventory management module.</li> <li>3. Perform a detailed financial reconciliation with the vendor's invoices against the refreshed AVL hardware/device inventory to determine the accuracy of those invoices. Request that the vendor make any billing adjustments as required. Request that the AVL vendor provide back an appendix with the AVL modem ID's in a separate excel spreadsheet along with the monthly invoice (if possible from vendor's billing system).</li> </ol>	<ol style="list-style-type: none"> <li>1. Fleet Services will update their inventory of all AVL hardware/devices including those installed in corporate vehicles, contracted vehicles and spares inventory. This will include proposed relocation of AVL system hardware.</li> <li>2. Fleet Services will develop an AVL system hardware change protocol and request AVL attributes be added into the next generation EAMS inventory management module.</li> <li>3. Fleet is currently performing a detailed financial reconciliation with the vendor's invoices and adjusting as required. Fleet is also working with vendor to provide invoices more timely and in more efficient format.</li> </ol>	Q2 2026		<p><b>June 10, 2026 - COMPLETE:</b></p> <ol style="list-style-type: none"> <li>1. Complete: Manual inventory tracking is in place until EAMS inventory management is deployed.</li> <li>2. Complete: Waiting on EAMS</li> <li>3. Complete</li> </ol> <p><b>March 4, 2026 - IN PROGRESS:</b></p> <ol style="list-style-type: none"> <li>1. Complete and ongoing. Inventory counts completed in December 2025 and storage system ordered for managing and storing parts in the inventory room aka "Stores". Inventory management will be manual process for the time being. There are less than 30 units (modems) to manage. Process has been established and bins have been ordered.</li> <li>2. On hold until EAMS is implemented</li> <li>3. Complete: 2025 invoices have been reconciled and paid. TELUS has implemented a new invoicing system and so far have automatically received invoices for January and February 2026. Invoices are reconciled when received against current reported parts and services.</li> </ol>	0	0	Enrico Scalara, Director, Parks, Roads & Forestry
Public Works	Corporate Fleet Services	AVL Performance Audit	19-Nov-25	4	Low	<p>Burlington Transit should be included in-scope when the current agreement with the service provider expires in 2026, and Corporate Fleet Services competitively procures their next AVL solution.</p>	<p>Fleet Service will include optional pricing for Burlington Transit and the Fire Department as part of the next AVL solution procurement process.</p> <p>Burlington Transit agrees with the recommendation to participate in the next procurement for AVL services and will coordinate with Finance and RPF to do a pilot project in the interim time period.</p>	Q2 2027		<p><b>June 10, 2026 - COMPLETE:</b></p> <p>No immediate plans for procuring a new AVL solution is in place until funding is approved.</p> <p>Minor funding remains to include licenses/pilot for Transit.</p> <p><b>March 4, 2026 - IN PROGRESS:</b></p> <p>1. No immediate plans for procuring a new AVL solution is in place until funding is approved.</p> <p>From Raewyn Jackson (Director of Burlington Transit):</p> <p>2. Burlington Transit looks forward to participating in the procurement for AVL services. In addition, BT is investigating the cost/benefit analysis of implementing the current solution on the fleet versus waiting for the next procurement cycle.</p>	0	0	Enrico Scalara, Director, Parks, Roads & Forestry  Raewyn Jackson, Director, Burlington Transit

Department	Function	Audit Report	Audit Report Date	Details of Audit Issue				Number of:		Owner			
				Audit Finding Number	Risk Rating	Audit Recommendation	Management Action Plan	Expected Completion Date	Revised Completion Date		Status	Days Past Due	Times Completion Date Revised
Public Works	Corporate Fleet Services	AVL Performance Audit	19-Nov-25	5	Low	Work with the Finance team to close the 2020 capital project finance and capital budgeting perspective. Release the unspent capital budget to its sources: Capital Levy, Infrastructure Renewal Reserve Fund and Vehicle Depreciation Reserve Fund.	1. Fleet Service to coordinate with Finance to close the project and release or reallocate the unspent capital funds as necessary. 2. Fleet Services to review funding needs for potential AVL improvements and system renewal for consideration in the project budget closeout.	Q1 2026		<b>June 10, 2026 - COMPLETE:</b> 1. Complete 2. Finance to follow-up with confirmation.  <b>March 4, 2026 - IN PROGRESS:</b> 1. Email has been sent to Finance to close project down and return unspent capital. Finance to follow-up with confirmation. 2. Funding needs have been reviewed and a capital allowance has been set aside to allowance any additional capital investment needed for the program. Finance to follow-up with confirmation.	0	0	Enrico Scalera, Director, Parks, Roads & Forestry

SUBJECT: Quarterly dashboard for the Office of the City Auditor

TO: Audit Committee

FROM: Corporate Affairs  
City Auditor

Report Number: AUD-08-26

Wards Affected: Not applicable

Date to Committee: June 10, 2026

Date to Council: June 23, 2026

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## **Recommendation:**

Receive for information office of the city auditor report AUD-08-26 regarding quarterly dashboard for the office of the city auditor as of Q2 2026 attached as Appendix A.

## **Executive Summary**

### **Purpose of report:**

- The City Auditor provides a quarterly report containing key performance indicators for the Audit Committee. This dashboard is an accountability and transparency mechanism intended to demonstrate the quarterly progress of audit work by the City Auditor to Audit Committee.

### **Key findings:**

- Please see Appendix A - Quarterly Dashboard for Office of the City Auditor for more information.

### **Implications:**

- There are no implications from this report; it is for information only.

# Information Report

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## Background

Through report [CA-05-22](#) (dated June 8, 2022), the City Auditor committed to providing a quarterly dashboard of key performance indicators (KPIs) to Audit Committee. These KPIs were developed from an analysis of literature published by the Institute of Internal Auditors and is considered a leading practice amongst City Auditors/Directors of Internal Audit at other organizations.

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## Status

The objective of the City Auditor’s quarterly dashboard is to provide Audit Committee with a one-page summary of the KPIs for the Office of the City Auditor and demonstrate progress against the Annual Audit Plan. This report is for informational purposes but helps to inform the performance management process for the City Auditor described in report [AUD-04-26](#), dated March 4, 2026.

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## Key Dates & Milestones

This report is an accountability and transparency mechanism that occurs on a quarterly basis. The next report to Audit Committee in this regard will be on Q3, 2026.

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## Implications

There is no immediate financial impact from this report. Funding identified in the attached dashboard is provided through the operating budget of the Office of the City Auditor; approved annually by City Council.

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## References

- [CA-05-22](#) – Quarterly Dashboard report for Office of the City Auditor
  - [AUD-02-26](#) – Quarterly Dashboard report for Office of the City Auditor (Q1 2026)
- 

## Strategic Alignment

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

---

**Author:**

Maciej Jurczyk, CPA, CIA, CRMA, LSSGB, CFE, CISA

City Auditor

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**Appendices:**

- A. Quarterly Dashboard for Office of the City Auditor

**Report Approval:**

All reports are reviewed and approved by the Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.



**City of Burlington  
Office of the City Auditor  
DASHBOARD**

**Report #  
AUD-8-26**

**12-May-26**

**Highlights from the Last Quarter**

- Whistleblower Policy & Program implementation: Major progress on this initiative including design and configurations of the online portal. Project execution phase on-going; Two phased implementation targeted for June 2026. See Audit Committee report **AUD-09-26** for greater detail.
- Aquatics Space Allocation Audit - Completed; see report **AUD-05-26**.
- Development Applications Audit - in progress - Fieldwork stage. Audit reporting date delayed from June to Sept cycle due to illness and audit client availability in April/May.
- Municipal Election Security Audit - in progress - Planning stage. Audit has commenced after key Election Coordinator position has been filled in late April.
- Supported the Transformation Office with key performance indicators for Corporate Affairs dept and Enterprise Risk Management initiatives.
- Follow-up process for past audits (note: this is a recurring and continuous process until recommendations are complete).
- Hosted multiple advisory meetings for Service Burlington and Transformation Office teams; multiple unrelated matters related to risk management, internal controls best practices related to cheques and reviewing/refreshing policy framework.
- Supported annual Fraud Awareness Month communications campaign with HR support; supported fraud questionnaire by Deloitte.

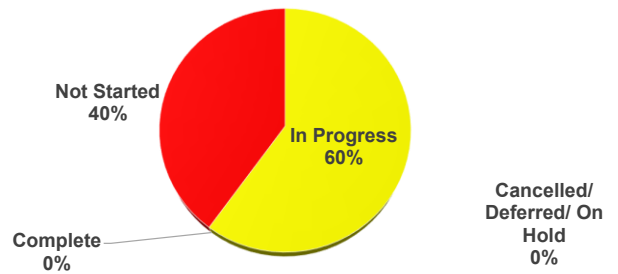
**Changes to Annual Audit Plan**

ADDED Aquatics Space Allocation Audit Complete

**Other Initiatives**

Project Name	Status
Advisory - Supporting Risk Community of Practice	Continuous
Advisory - Supporting Burlington Action Response Team	Continuous
Admin - Performance Management process	Continuous
Advisory - Fraud Prevention Month (March)	Complete
Advisory - Enterprise Risk Management	Complete
Advisory - TRN & Service Burlington depts (multiple)	Complete

**2026 Audit Plan**



**Key Performance Indicators (KPI's)**

	Actual to Date	Target	Comments
<b>Output</b>			
Completion of Whistleblower Program	On track	Q2 2026	
Percentage of recommendations accepted by Management	100%	95%	No recommendations rejected by Mngt
Percentage of recommendations completed	72.7%	85%	No change since last quarter
Percentage of recommendations completed by the original agreed date	65.5%	85%	No change since last quarter
<b>Quality</b>			
Post Audit Survey	88.8%	85%	No change since last quarter
Quality Assurance Review	100%	100%	No change since last quarter
<b>Awareness</b>			
% Increase in page views to City Auditor reports on COB website	70.7%	15% YOY	
% Increase in active visitors to City Auditor reports on COB website	83.8%	15% YOY	
<b>Education</b>			
Continuous Professional Development hours to support CPA, CIA, CFE	16.75	40	PD Webinars etc.

**Budget**

	BUDGET	ACTUALS	Variance (\$)	
Professional Development (i.e. Training, Prof. Memberships)	\$5,000	\$1,670	\$3,330	<b>A</b>
Purchased Services (i.e. External Consulting, Mobile phone)	\$42,520	\$105	\$42,415	<b>B</b>
Contracted Services (dedicated for Whistleblower Program)	\$13,000	\$4,000	\$9,000	<b>C</b>

Note **A** - IIA, MIAA, CPA Annual Membership fees.

Note **B** - BYOD

Note **C** - \$4000 implementation costs for Whistleblower Program; annual service fee of \$6800 expected in June

SUBJECT: Whistleblower Program update

TO: Audit Committee

FROM: Corporate Affairs  
City Auditor

Report Number: AUD-09-26

Wards Affected: Not applicable

Date to Committee: June 10, 2026

Date to Council: June 23, 2026

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## **Recommendation:**

Receive for information office of the city auditor report AUD-09-26 regarding an update about the Whistleblower Program.

## **Executive Summary**

### **Purpose of report:**

- Work towards designing and developing the Whistleblower Program was approved by Audit Committee as a part of the 2026 Audit Plan; this report provides Audit Committee with a status update.

### **Key findings:**

- A Whistleblower Policy was designed based on leading practices implemented in other mid-sized and large Canadian municipalities. This policy was approved by the CAO and XLT in 2025.
- The Whistleblower Policy will allow City staff who fear reprisal to confidentially report an issue of wrongdoing to the City Auditor and Chief Human Resources Officer.
- A project-based approach is being utilized to implement the Whistleblower Program (planned for June 2026). All project workplan items are on track.

### **Implications:**

- The City Auditor and staff from Human Resources are leading this initiative; however multiple staff from Communications/Community Engagement, Legal Services, Procurement, Information Governance and Burlington Digital Services have been impacted and provided support.

- An operating budget of \$13,000 was approved by Council through the 2026 budget process. A successful competitive procurement was completed that will utilize less than this budget.
- There are no climate related implications.

# Information Report

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## Background

Human Resources identified the need for a Whistleblower Policy after a workplace incident occurred in 2024; this is a common tool in most other mid-sized and large municipalities. A working group comprised of various Human Resources staff and the City Auditor was formed to perform preliminary research and discuss various potential options for the City. The City Auditor's role to support the initiative was approved by Audit Committee through the 2025 Audit Plan (report# [AUD-05-25](#)). Project highlights from 2025 included:

- Benchmarking Whistleblower Policies against other 17 Canadian municipalities which revealed program costing, in-house vs. outsourced programs, staff leads, complaint intake processes, policy scope, policy exemptions, Council reporting standards etc.
- Performing a market analysis to identify potential vendors and their capability to serve the City of Burlington.
- Interviews with senior staff from the cities of Barrie, Brampton, and Calgary to receive advice, business intelligence and lessons learned from their Whistleblower Policy implementations.
- Working with staff from Human Resources and Legal Services to review and finalize the City of Burlington's draft Whistleblower Policy. This policy was formally approved by the City's Executive Leadership Team (XLT) on August 21, 2025.
- Submitted a business case to XLT (which was approved) for a budget request of \$13000 into the City's 2026 operating budget submission to Council. City Council subsequently approved the base operating budget for 2026.
- Presented the approved policy to Senior Leadership and other People Leaders to solicit their feedback.
- Performed an analysis of other City policies and the impact of the Whistleblower Policy, with recommendations for minor improvements.
- Consulted with the City's 'Architecture Review Board' regarding a net new cloud-based application and cyber-security configurations.
- Consulted with the City's Information Governance team to perform a 'Privacy Impact Assessment'.
- Prepared procurement specifications.

Project highlights from 2026 included:

- Completed a competitive procurement that identified the successful vendor to host an online Whistleblower portal and call centre.
- Engaged the vendor to clarify and refine the City's needs. Designed and delivered a 'mock-up' of the whistleblower portal based on leading practices from other benchmarked municipalities.

- Received approval from the City's 'Architecture Review Board' and completed a cyber-security assessment.
- Completed Privacy Impact Assessment; on-going work to address privacy recommendations to ensure compliance with MFIPPA.
- Designed Communications Plan that will manage internal communications pre and post go-live to people leaders and front-line City staff. Communications staff prepared key messages, built a new intranet page to host the link to the portal and created graphic designs to support communication materials.
- Prepared internal tools, templates and other documents to support investigations and future reporting back to Audit Committee.

The Whistleblower Policy will afford City of Burlington staff the opportunity to report concerns of wrongdoing in situations where they may fear reprisal. It is important to state that the City has an existing Code of Conduct which encourages City staff to identify concerns and discuss them with their respective people-leaders. A comprehensive in-take procedure documented in the policy and procedure framework was created whereby all complaints by staff (either anonymous or not) will be received by the City Auditor and Chief Human Resources Officer. Thereafter, the City Auditor will determine whether each complaint will be:

1. Formally investigated by the City Auditor
2. Referred to Human Resources for a formal investigation by that team
3. Closed with no further action taken due to complaints being excluded by this policy, or complaints not meeting minimum reporting criteria (as defined in the Policy)

The Policy also identifies the roles and responsibilities of various stakeholders including: the City Auditor, Chief Administrative Officer (CAO), Chief Human Resources Officer, People Leaders etc. Reprisal against Whistleblowers is explicitly prohibited within the Policy. With respect to reporting, the CAO will (where appropriate to the circumstances), confidentially inform City Council of Whistleblower Program investigations and/or outcomes. Lastly, the City Auditor will report on an annual basis, a summary of information related to reports received and investigations conducted during the prior year to Council through the Audit Committee.

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## **Status**

The current status of the implementation of the Whistleblower Program is:

- Design of the Whistleblower Program portal by the vendor (based on specifications and 'mock-up' provided by City staff) is on-going.
- Communication materials for internal staff are being designed.
- Updates to existing HR policies, procedures and documents are underway.
- Training has been scheduled; documentation, templates etc are being refined based on feedback received from various stakeholders

- Formal Go-live is planned for June 2026 in a two-phased approach: soft launch for select staff (for testing and quality assurance), followed by a hard launch for all City staff.
- 

## Implications

City Council approved a base operating budget of \$13,000 for this initiative as a part of the 2026 overall City operating budget. A competitive procurement was completed which will result in a total spend of approximately \$11,000 in year one, and approximately \$7000 thereafter for two subsequent years. This annual amount will support a third-party vendor which will host an online whistleblower hotline/portal and call centre. A total of 215+ hours were incurred by the City Auditor to design and implement this initiative.

Multiple City staff from other departments were involved in this initiative, particularly Human Resources. Various other staff from Communications/Community Engagement, Procurement, Legal, Finance, Burlington Digital Services, and Information Governance were also involved in providing support. Management and staff's efforts included meetings, interviews, providing legal and privacy advice etc. This amount of time was not tracked by the City Auditor.

There are no immediate climate impacts from this report. Most work was completed remotely and project materials were entirely sent electronically, thereby reducing the consumption of paper.

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## References

2026 Annual Audit Plan for Office of the City Auditor ([AUD-03-26](#))  
Whistleblower Policy & Program update ([AUD-15-25](#))

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## Strategic Alignment

- Designing and delivering complete communities
  - Providing the best services and experiences
  - Protecting and improving the natural environment and taking action on climate change
  - Driving organizational performance
- 

## Author:

Respectfully submitted,  
Maciej Jurczyk, CPA, CIA, CRMA, LSSGB, CFE, CISA  
City Auditor

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**Appendices:**

None.

**Report Approval:**

All reports are reviewed and approved by the Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

SUBJECT: Financial Highlights for the period ended March 31, 2026

TO: Audit Committee

FROM: Finance  
N/A

Report Number: FIN-08-26

Wards Affected: Not applicable

Date to Committee: June 10, 2026

Date to Council: June 23, 2026

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### **Recommendation:**

Receive for information finance report FIN-08-26 regarding the financial highlights for the period ended March 31, 2026.

### **Executive Summary**

A financial update highlighting the City's first quarter of 2026 in the following areas:

- Statement of financial position
- Statement of operations
- Reserves and reserve funds

### **Purpose of report:**

- To provide an update on key financial information for the City as of March 31, 2026.

### **Implications:**

- For information purposes only.

# Information Report

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## Background

The Audit Committee's terms of reference indicate that it will review and recommend for approval the annual audited consolidated financial statements of the City and will review the quarterly financial performance throughout the year. To assist the Audit Committee with these responsibilities, report FIN-08-26 will present preliminary key financial highlights for the period ending March 31, 2026.

On an annual basis the consolidated financial statements of the City of Burlington are presented to the Audit Committee for their recommendation to Council to approve. The consolidated statements include the financial results for the City along with several of its local boards (Burlington Public Library, Burlington Economic Development and Tourism, Burlington Museums Board, Burlington Theatre Board, Burlington Downtown BIA, and Aldershot Village BIA). The City and local boards had their 2025 audits performed by Deloitte LLP.

The City's consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. In some cases, these standards differ from how the City reports its day-to-day operations, which can make reviewing the financial statements challenging. This report presents preliminary financial results from an operational perspective for the period ending March 31, 2026.

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## Status

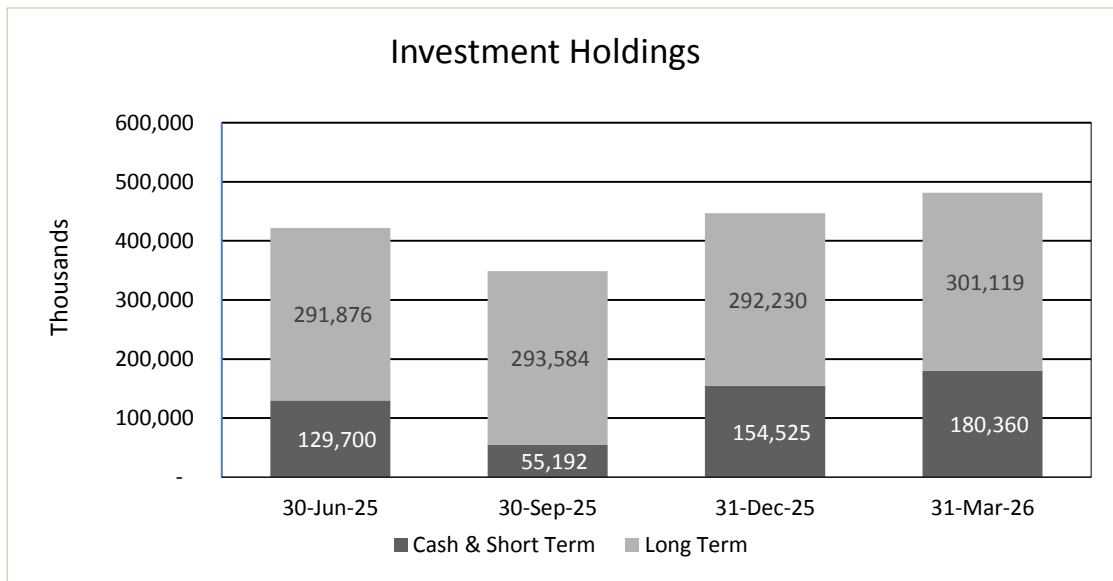
### Statement of Financial Position

The statement of financial position is the equivalent of a balance sheet. It presents information on the assets, liabilities, and the accumulated surplus of the City.

### Assets

Key assets for the City include cash and investments, accounts receivable and taxes receivable.

Cash and investment holdings reflect the City's cash flow position and investment strategy given current market conditions. Funds are allocated to maximize investment income, retain an appropriate level of liquidity, and respond to economic forces that influence the investment environment while maintaining a balanced portfolio in line with the City's investment policy. The following chart breaks down the balances of these categories on an unconsolidated basis for the last four quarters:



Accounts receivable as at March 31, 2026, were approximately \$15.7 million. In comparison the accounts receivable balance as at March 31, 2025, was approximately \$14.3 million.

Taxes represent the key revenue source the City uses to fund its service delivery. Taxes receivable are recorded when billed. The City issues bills twice a year, in January and May. These bills represent four installments which are due in February, April, June, and September. Taxes receivable balance at March 31, 2026, was approximately \$138.7 million as compared to \$127.7 million reported at March 31, 2025.

### Liabilities

The unconsolidated balance of accounts payable and accrued liabilities at March 31, 2026, is approximately \$29.2 million compared to the balance at March 31, 2025, of \$45.0 million. Accounts payable balances fluctuate throughout the year and are heavily dependent on capital project timelines and scope.

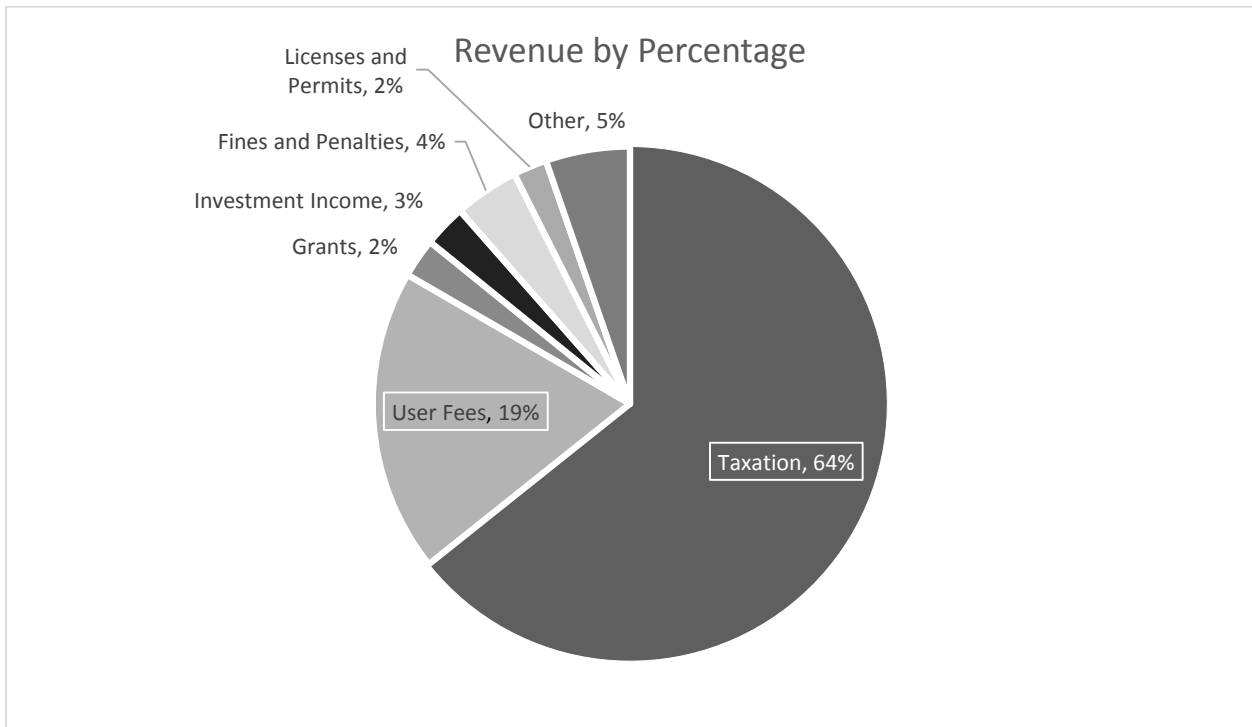
The consolidated balance in the December 31, 2025, financial statements, of \$71.3 million, includes accruals only recorded as part of the year end audit.

One of the City's largest liabilities is derived from the issuance of long-term debt. The City's debt balance as at December 31, 2025, was \$124.6 million. Debt is used to fund capital expenditures.

## Statement of Operations

### Revenues

The Statement of Operations provides information on the City's revenues and expenses combining the information from both the operating and capital perspectives. Although taxation revenue is the largest component of the City's revenues, user fees and charges, investment income and funds from senior levels of government all contribute to enabling the City to deliver services to the community. The following chart is provided as a reference point and provides information of the various components of the City's revenues as reported in the consolidated financial statements as at December 31, 2025:

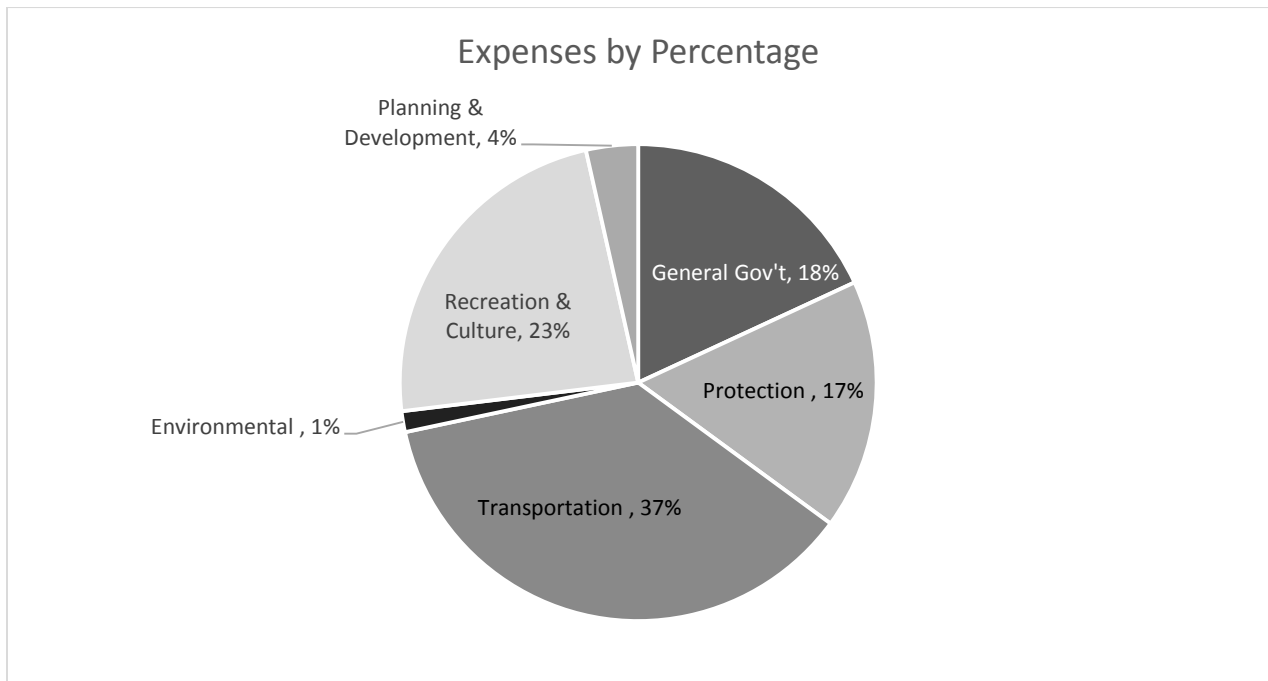


While a direct comparison between current operations and the consolidated financial statements is not feasible due to adjustments made for financial reporting purposes, selected revenue items as of March 31st are provided below for informational purposes, comparing the current year to the prior year:

(amounts are in thousands)	2026	2025
General Tax Levy	\$132,826	\$124,113
User fees and charges	6,642	6,262
Grants	7,503	4,923
Investment income	3,050	3,412
Penalties and interest on taxes	904	845
Hydro dividends and interest	-	336

### Expenses

The City's operating expenses are reported during the year on a cash basis categorized by service while the consolidated financial statements report expenses on an accrual basis by category. Certain components that are not part of operational reporting such as post-employment benefits and amortization are added to the expenses reported in the financial statements. The following chart shows the breakdown of expense attributed to the categories as reported in the 2025 consolidated financial statements:



The adjustments required to report expenses in the financial statements are extensive and include allocations for post-employment benefits, interest on debt, depreciation, and non-capital expenditures recorded within capital projects. Information extracted from the

City's financial system as of March 31<sup>st</sup> provides a comparison between 2026 and 2025 with the above noted adjustments excluded:

	<b>2026</b>	<b>2025</b>
General government	\$ 19,663	\$ 17,214
Protection to persons and property	11,301	10,473
Transportation services	11,178	10,072
Environmental services	51	76
Health services	104	117
Recreation and cultural services	14,694	14,358
Planning and development	5,590	2,181
<b>Total Expenses</b>	<b>\$62,581</b>	<b>\$54,491</b>

## Other Financial Information

### Reserve Funds

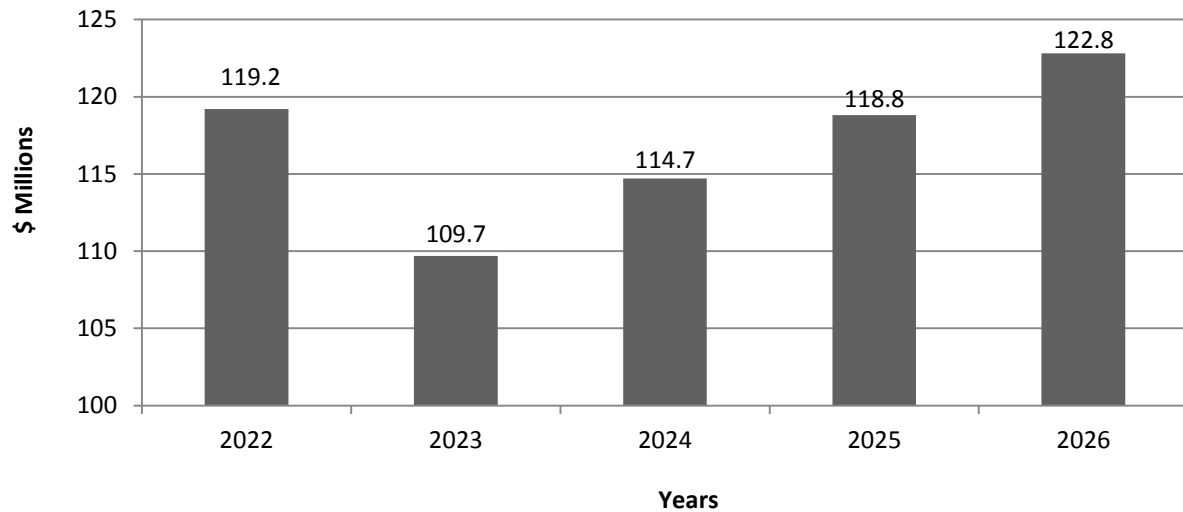
Reserve funds are a critical component of a municipality's long-term financing plan. They provide:

- stability to the tax rate in the face of variable circumstances,
- funding for one-time expenditures,
- the ability to make provisions for the replacement and/or acquisition of infrastructure, and
- flexibility to manage debt levels to protect the municipality's financial position.

Of the total Reserves and Reserve Funds \$164.5 million is committed for various projects leaving an uncommitted balance of \$122.8 million. The commitments represent expenditures approved by Council or funds held for specific future purposes.

The uncommitted balance of the City's reserve and reserve funds as at March 31<sup>st</sup> is presented for the last five years:

## Uncommitted Reserve and Reserve Fund Balances as at March 31



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### Implications

For information purposes only.

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### Strategic Alignment

(Select all that apply)

- Designing and delivering complete communities
  - Providing the best services and experiences
  - Protecting and improving the natural environment and taking action on climate change
  - Driving organizational performance
- 

### Author:

Michelle Moore  
Controller & Manager, Financial Services  
Michelle.Moore@burlington.ca

### Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

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SUBJECT: Report recommending approval of the 2025 consolidated financial statements as audited by Deloitte LLP

TO: Audit Committee

FROM: Finance

N/A

Report Number: FIN-07-26

Wards Affected: Not applicable

Date to Committee: June 10, 2026

Date to Council: June 23, 2026

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## Recommendation

Approve the 2025 Consolidated Financial Statements for the City of Burlington as audited by Deloitte LLP attached as Appendix A to finance report FIN-07-26; and

Approve the 2025 Financial Statements for the Trust Funds of the City of Burlington as audited by Deloitte LLP attached as Appendix B; and

Authorize the Chief Financial Officer to publish the statements on the City's website.

## Executive Summary

The purpose of this report is to present the 2025 Audited Consolidated Financial Statements ("the financial statements") for the City of Burlington. The financial statements have been prepared by staff in accordance with Public Sector Accounting Standards (PSAS), and audited by Deloitte LLP, in accordance with Section 294.1 of the *Municipal Act*. As the City's external auditor, Deloitte's role is to express an independent opinion on the fair presentation of the financial statements, and to provide reasonable assurance that the financial statements are free

from material misstatement. The City's 2025 Consolidated Financial Statements are included as Appendix A to this report.

This report outlines key financial highlights from the 2025 statements and summarizes the results of the external audit.

#### Purpose of report:

- The purpose of this report is to present the City of Burlington's 2025 Consolidated Financial Statements in compliance with Section 294.1 of the *Municipal Act*. The report also provides an overview of key financial highlights and summarizes the results of the 2025 external audit.

#### Key findings:

- The 2025 Consolidated Financial Statements received an unmodified (clean) audit opinion, indicating that the financial statements present fairly, in all material respects, the financial position and results of operations of the City.
- The external auditor confirmed that the audit was conducted in accordance with Canadian generally accepted auditing standards, with full cooperation from City staff and no significant issues identified.

#### Implications:

- The audited 2025 Consolidated Financial Statements confirm the City's financial position as of December 31, 2025. No audit adjustments or financial reporting concerns were identified, indicating sound financial practices and effective internal controls.
- This report fulfills the City's statutory obligation under Section 294.1 of the *Municipal Act* to prepare and publish annual financial statements in accordance with Public Sector Accounting Standards.
- The presentation of audited financial statements to the Audit Committee and Council reinforces transparency and accountability in the City's financial reporting. The unmodified audit opinion further supports the integrity of the City's financial information.

# Recommendation Report

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## Background

The City's financial statements are prepared in accordance with Canadian public sector accounting standards for local government as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The PSAB guidelines serve to assist the public in understanding and having confidence in public sector accounting. The statements have been audited by our auditors, Deloitte LLP, Chartered Professional Accountants.

The financial statements are prepared on a consolidated basis, which combines the financial results of all City of Burlington ("City") departments and related entities the City effectively controls. This includes;

- Burlington Public Library Board
- Burlington Museum Board
- Burlington Downtown Business Improvement Association
- Aldershot Village Business Improvement Association
- Burlington Economic Development and Tourism
- Burlington Theatre Board
- Burlington Enterprises Corporation (shown as a Government Business Entity).

It is a requirement that the Audit Committee review and recommend for approval by Council, the consolidated financial statements for the City before they are published.

The finalized financial statements will be available on the City's website once approved.

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## Analysis

The Statements presented include:

- Independent auditor's report;
- Consolidated statement of operations;
- Consolidated statement of changes in net financial assets;
- Consolidated statement of financial position;
- Consolidated statement of cash flow; and
- Notes to the consolidated financial statements

**Consolidated Statement of Operations**

The Consolidated Statement of Operations summarizes the City’s revenues and expenses for the year, combining both operating and capital fund activity—excluding transactions related to the acquisition or disposal of tangible capital assets and revenues from discretionary reserve funds. The annual surplus or deficit reported represents the difference between total revenues and expenses, incorporating required adjustments under Public Sector Accounting Standards (PSAS).

This statement includes non-cash PSAB adjustments such as amortization, post-employment benefit expenses, and contributed assets. Capital expenditures are not recorded as expenses but instead increases the value of tangible capital assets on the Statement of Financial Position. Similarly, only interest payments on debt are reflected in this statement, while principal repayments are shown as reductions to long-term debt on the Statement of Financial Position. For 2025, the City reported a consolidated PSAB surplus of \$46.4 million. It is important to note that this accounting surplus differs from the City’s budget surplus, as it includes PSAS-required adjustments not reflected in the annual operating budget.

**Revenues**

The City’s total revenues increased by \$35.1 million in 2025 to \$419.9 million (2024 – \$384.8 million). This increase was primarily driven by higher net tax revenues and increased user fees and charges. The increase in user fees and charges is mainly attributable to recoveries from the Region and other municipalities related to joint road projects (for example, recoveries related to the Waterdown Road project).

**Expenses**

Expenditures are presented by functional area in the statement. The functional areas are compared to departments/services as follows:

Functional Area	Department
General Government	Non-Divisional Departments, Corporate Services
Protection to Persons and property	Fire, By-law enforcement, Animal Control
Transportation Services	RPF (excluding storm water management), Transportation and Transit
Environmental Services	Storm water management
Health Services	Cemetery Operations

Recreation and Cultural Services	Recreation, Community and Culture, Library, Museums, Burlington Theatre Board
Planning and Development	Community Planning, Building, Downtown BIA, Aldershot Village BIA, Burlington Economic Development and Tourism

Also added to expenses by functional category are amortization expense and post-employment benefit expense. Details by segments are presented in Note 13 of the financial statements.

The City’s total expenses in 2025 increased by \$25.1 million to \$373.5 million (2024 - \$348.4 million). This increase was primarily driven by capital projects undertaken jointly with the Region and other local municipalities, including projects such as the Waterdown Road project. These additional costs are substantially offset by the corresponding increase in user fees and charges noted above.

**2025 Budget**

Budget figures presented in the consolidated statements are based on the 2025 operating and capital budgets approved by Council. Amounts also include estimated amortization that is reported to Council during the budget approval process. Note 16 in the financial statements reconciles the approved budget figures reported in these consolidated financial statements.

**Consolidated Statement of Changes in Net Financial Assets**

The statement of change in net financial assets shows how the surplus of \$46.4 million was used to support the acquisition of tangible capital assets and other nonfinancial assets. Overall, there is a net increase in net financial assets of \$5.7 million recognized in 2025.

**Consolidated Statement of Financial Position**

The Consolidated Statement of Financial Position presents the financial status of the City as at December 31, 2025. The focus of this statement is to present the assets, liabilities, and accumulated surplus of the City.

Highlights of this statement include;

**Tangible Capital Assets (TCAs)**

TCAs represent the City’s largest asset with a 2025 net book value (NBV) of \$1.07 billion (2024 – \$1.03 billion). This value represents the historical cost of the assets and is presented net of accumulated depreciation. 2025 notable additions to the City’s TCA balance include:

- Facility renewal and construction projects (\$18.7 million)

- The purchase of four new conventional fleet buses (\$4.8 million)
- The purchase of a new fire truck (\$1.3 million)
- Roads/parks construction projects
  - Prospect Street – Phase 1 & 2 (\$8.7 million)
  - Burloak Drive (\$3.8 million)
  - Spencer Smith Park - Brant Street Pier and Waterfront Promenade project (\$1.4 million)
  - Ireland Park Sports field improvements (\$1.1 million)

### **Obligatory reserve funds**

Obligatory reserve fund balances are recorded as a liability (deferred revenue) on the City's statement of financial position. This differs from the City's policy where allocation of funding from the obligatory reserve funds to their capital projects is completed upon approval of the capital budget. PSAS requires unspent funds be reported under this method as provincial legislation restricts how the funds may be used. As the funds are spent for their intended purposes they are recognized as revenue.

The December 31, 2025, obligatory reserve fund balance decreased to \$115.5 million (2024 - \$118.2 million).

### **Long-term debt**

Long-term debt is used as a funding source for various capital projects as approved by Council. In 2025 the balance increased to \$124.6 million (2024 - \$115.0 million). The City took part in the Region's debt issuance in the fall of 2025. This issuance helped raise funding to support capital projects which included the Robert Bateman Community Centre.

Principal debt repayments totaled \$14.9 million for 2025.

### **Accumulated Surplus**

Accumulated surplus is the amount by which all assets exceed liabilities. A surplus indicates net resources (financial and physical) available to provide services in the future (Note 11 in the financial statements provides a breakdown of this balance). The City's accumulated surplus for 2025 was \$1.29 billion.

### **Consolidated Statement of Cash Flow**

The Consolidated Statement of Cash Flow describes how activities were financed during the reporting period and the effect of activities on cash balances. The cash and cash equivalents of the City increased by \$26.5 million in 2025 to raise the total cash balance to \$72.0 million as at December 31, 2025.

## **Notes to the Financial Statements**

The Notes to the Financial Statements provide additional information to explain or supplement the financial statements including disclosure of accounting policies and basis of consolidation.

### **External Audit Results**

The Audit Committee is responsible for overseeing audit-related matters, including the annual audit of the City's financial statements. In support of this role, the external auditors provide the Committee with a comprehensive communication outlining the results of their audit procedures. This includes observations on internal controls and systems, as assessed in accordance with Canadian Generally Accepted Auditing Standards (GAAS).

A key benefit of the annual audit is the external auditor's recommendations for strengthening internal controls, where applicable. These insights help enhance the effectiveness and reliability of the City's financial management practices. For the 2025 audit, no issues or deficiencies were identified, as confirmed in the Management Letter—reflecting the continued strength and integrity of the City's internal control framework.

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### **Recommendation Details**

Council approval of the City's annual financial statements is a key part of the City's financial oversight responsibilities. Approval confirms that Council has reviewed the audited results, supports transparency and accountability, and allows the statements to be formally released to the public. It also fulfills audit requirements and ensures compliance with legislative and accounting standards.

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### **Key Dates & Milestones**

The 2025 year-end audit process began in the final quarter of 2025 with a review of internal controls and preliminary testing. After the fiscal year concluded, the external auditors conducted their year-end fieldwork, focusing on final account balances and financial statement disclosures. The draft Financial Statements are presented to the Audit Committee and Council for review and approval. Once approved, the auditors will issue their final report, and the audited Financial Statements will be published on the City's public website and submitted to the Province in accordance with legislative requirements.

## Implications

Council approval enables the statements to be publicly released and submitted to the Province.

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## References

[FIN-38-25](#) - External audit plan for the fiscal year ended December 31, 2025

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## Strategic Alignment

(Select all that apply)

- Designing and delivering complete communities
  - Providing the best services and experiences
  - Protecting and improving the natural environment and taking action on climate change
  - Driving organizational performance
- 

## Author:

Michelle Moore  
Controller and Manager, Financial Services  
Michelle.Moore@burlington.ca

## Appendices:

- A. Consolidated financial statements of The Corporation of the City of Burlington
- B. The Trust Funds of the Corporation of the City of Burlington
- C. Deloitte Year End Communication for the City of Burlington

## Notifications:

Name – Chris Hiebert  
Title – Regional Director – Public Sector – Southwestern Ontario – Royal Bank of Canada  
Contact Info – [Chris.Hiebert@rbc.com](mailto:Chris.Hiebert@rbc.com)

## Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

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Consolidated financial statements of  
The Corporation of the City of  
Burlington

December 31, 2025

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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 consolidated financial statements of the Corporation of the City of Burlington (the "City"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated 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 City as at December 31, 2025, the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### 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 Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 City'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 City to cease operations, or has no realistic alternative but to do so.

Council is responsible for overseeing the City'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 City'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 City'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 City 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the City as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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]

## The Corporation of the City of Burlington

### Consolidated statement of operations

Year ended December 31, 2025

(All amounts are in thousands of dollars)

Notes	2025 Budget \$	2025 Actual \$	2024 Actual \$
	<b>(Note 16)</b>		
<b>Revenue</b>			
Taxation	271,698	269,963	249,802
User fees and charges	30,712	80,128	55,507
Grants			
Government of Canada	13,970	7,998	8,140
Province of Ontario	8,750	2,362	6,084
Contributions from developers	827	6,316	8,038
Investment income	5,363	11,240	11,693
(Loss) gain on sale of tangible capital assets	—	(145)	48
Penalties and interest on taxes	2,300	4,052	3,556
Donations	319	601	2,260
Fines and penalties	12,697	13,028	11,818
Rents and concessions	7,007	7,919	7,081
Licenses and permits	11,181	8,908	8,956
Other	6,597	1,488	2,516
Hydro dividends and interest	3,832	5,525	3,904
Contributed tangible capital assets	—	—	1,097
Burlington Enterprises Corporation, net increase in equity	— <sup>12</sup>	545	4,256
	<b>375,253</b>	<b>419,928</b>	<b>384,756</b>
<b>Expenses</b>			
General government	63,511 <sup>13</sup>	67,487	72,907
Protection to persons and property	56,464	63,267	60,776
Transportation services	110,444	136,484	109,352
Environmental services	10,242	5,287	6,278
Health services	564	636	554
Recreation and cultural services	97,764	87,233	86,337
Planning and development	13,358	13,142	12,224
	<b>352,347</b>	<b>373,536</b>	<b>348,428</b>
Annual surplus	22,906	46,391	36,328
Accumulated surplus, beginning of year	1,244,973	1,244,973	1,208,645
<b>Accumulated surplus, end of year</b>	<b>1,267,879</b> <sup>11</sup>	<b>1,291,364</b>	<b>1,244,973</b>

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

**The Corporation of the City of Burlington**  
**Consolidated statement of change in net financial assets**

Year ended December 31, 2025

(All amounts are in thousands of dollars)

	<b>2025 Budget \$</b>	<b>2025 Actual \$</b>	2024 Actual \$
	<b>(Note 16)</b>		
<b>Annual surplus</b>	<b>22,906</b>	<b>46,391</b>	36,328
Purchase of tangible capital assets	<b>(103,523)</b>	<b>(81,342)</b>	(95,278)
Contributed tangible capital assets	—	—	(1,097)
Amortization	<b>45,229</b>	<b>42,187</b>	40,368
Loss (gain) on disposal of tangible capital assets	—	<b>145</b>	(48)
Proceeds on sale of tangible capital assets	—	<b>211</b>	153
Change in supplies of inventory	—	<b>(47)</b>	724
Change in prepaid expenses	—	<b>(1,815)</b>	(193)
(Decrease) increase in net financial assets	<b>(35,388)</b>	<b>5,730</b>	(19,043)
Net financial assets, beginning of year	<b>208,841</b>	<b>208,841</b>	227,884
<b>Net financial assets, end of year</b>	<b>173,453</b>	<b>214,571</b>	208,841

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

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**The Corporation of the City of Burlington**  
**Consolidated statement of financial position**

Year ended December 31, 2025

(All amounts are in thousands of dollars)

	Notes	2025 \$	2024 \$
<b>Financial assets</b>			
Cash and cash equivalents		72,040	45,516
Taxes receivable	2	19,577	18,736
Accounts receivable		51,438	36,683
Investments	4	292,353	304,880
Investment in Burlington Enterprises Corporation	12	150,265	149,720
		<b>585,673</b>	<b>555,535</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		71,320	55,885
Asset retirement obligation	5	1,001	969
Other liabilities		268	356
Deferred revenue - general		8,504	7,817
Deferred revenue - obligatory reserve funds	6	115,544	118,186
Employee future benefits	7	49,910	48,515
Long-term debt	9	124,555	114,966
		<b>371,102</b>	<b>346,694</b>
Net financial assets		<b>214,571</b>	<b>208,841</b>
<b>Non-financial assets</b>			
Tangible capital assets	10	1,069,477	1,030,678
Inventory		2,815	2,768
Prepaid expenses		4,501	2,686
		<b>1,076,793</b>	<b>1,036,132</b>
Commitments and contingencies	15		
<b>Accumulated surplus</b>	11	<b>1,291,463</b>	<b>1,244,973</b>

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

Approved by the Board

\_\_\_\_\_, Director

\_\_\_\_\_, Director

## The Corporation of the City of Burlington

### Consolidated statement of cash flows

Year ended December 31, 2025

(All amounts are in thousands of dollars)

Notes	2025 \$	2024 \$
<b>Operating activities</b>		
Annual surplus	46,391	36,328
Non-cash charges to operations		
Amortization	42,187	40,368
Loss (gain) on disposal of tangible capital assets	145	(48)
Contributed tangible capital assets	—	(1,097)
Burlington Enterprises Corporation, net income	(4,709)	(6,680)
Net change in non-cash working capital balances	(2,639)	9,370
	<b>81,376</b>	<b>78,241</b>
<b>Capital activities</b>		
Purchase of tangible capital assets	(81,342)	(95,278)
Proceeds on sale of tangible capital assets	211	153
	<b>(81,131)</b>	<b>(95,125)</b>
<b>Investing activity</b>		
Increase in investments	12,527	16,334
<b>Financing activities</b>		
New debt issued	24,460	17,000
Debt principal repayments	(14,871)	(16,437)
Dividends received	4,164	2,424
	<b>13,753</b>	<b>2,987</b>
Change in cash and cash equivalents	<b>26,524</b>	<b>2,437</b>
Cash and cash equivalents, beginning of year	<b>45,516</b>	<b>43,079</b>
<b>Cash and cash equivalents, end of year</b>	<b>72,040</b>	<b>45,516</b>
<b>Cash and cash equivalents consist of</b>		
Cash	<b>23,040</b>	<b>15,516</b>
Cash equivalents	<b>49,000</b>	<b>30,000</b>
	<b>72,040</b>	<b>45,516</b>

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

# The Corporation of the City of Burlington

## Notes to the consolidated financial statements

December 31, 2025

(All amounts are in thousands of dollars)

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### 1. Accounting policies

The consolidated financial statements of the City of Burlington (the "City") are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (CPA). Significant accounting policies adopted by the City are as follows:

#### (a) Basis of consolidation

##### (i) Consolidated entities

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus balances of the reporting entity. The reporting entity includes the activities of all committees of Council and the following boards and enterprises which are under the control of Council:

- Burlington Public Library Board
- Burlington Museums Board
- Burlington Downtown
- Aldershot Village Business Improvement Association
- Burlington Economic Development and Tourism
- Burlington Theatre Board

As of January 1, 2025, Burlington Economic Development Corporation and Tourism Burlington Inc. amalgamated to form a new entity, Burlington Economic Development and Tourism.

All material inter-entity transactions and balances are eliminated on consolidation.

##### (ii) Non-consolidated entities

These consolidated financial statements do not reflect the assets, liabilities, revenues, expenses and accumulated surplus and the activities of the following boards and enterprises, which are not under the control of Council:

- Burlington Art Gallery
- LaSalle Park Marina Association

##### (iii) Modified equity accounting

Burlington Enterprises Corporation ("BEC") (formerly Burlington Hydro Electric Inc.) is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated.

##### (iv) Accounting for the Region and School Board Transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Region of Halton and the school boards are not reflected in these financial statements.

##### (v) Trust funds

Trust Funds and their related operations administered by the City are not consolidated, but are reported separately.

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

December 31, 2025

(All amounts are in thousands of dollars)

**1. Accounting policies (continued)**

*(b) Basis of accounting*

*(i) Accrual accounting*

The City follows the accrual method of accounting for revenues and expenses, with the exception of Provincial Offences Act fine revenues which are accounted for on a cash basis. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services.

Where revenue has been received in advance of expenses being incurred, the amount has been recorded as deferred revenue in the consolidated statement of financial position, and will be recognized as revenue in a future period when the related expenses are incurred.

*(ii) Non-financial assets*

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

*1. Tangible capital assets*

Tangible capital assets ("TCAs") are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	12 to 100 years
Buildings	10 to 100 years
Leasehold improvements	Term of the lease
Machinery and equipment	3 to 25 years
Vehicles	5 to 32 years
Linear assets	4 to 80 years

A full year's amortization is taken in the year of asset acquisition and disposal. Works in progress are not amortized until the asset is available for productive use, at which time they are capitalized.

The City has a capitalization threshold for each individual asset class, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Capitalization threshold by individual asset class are as follows:

Land	nil
Land improvement	\$20
Buildings/leasehold improvements	\$30
Machinery and equipment	\$5
Vehicles	\$5
Linear assets	\$20
Work-in-progress	Same as above by individual asset

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

December 31, 2025

(All amounts are in thousands of dollars)

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**1. Accounting policies (continued)**

*(b) Basis of accounting (continued)*

*(ii) Non-financial assets (continued)*

1. *Tangible capital assets (continued)*

The City's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of TCAs.

2. *Contribution of tangible capital assets*

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

3. *Leases*

Leases are classified as capital or operating leases. Leases which transfer substantially all risks and benefits incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

4. *Inventories*

Inventories held for consumption are recorded at the lower of cost and net realizable value.

*(iii) Government transfers*

Government transfers are recognized as revenues by the City in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions or programs to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

*(iv) Deferred revenue - Obligatory reserve funds*

The City receives development charges and subdivider contributions under the authority of provincial legislation and City by-laws. These funds, by their nature, are restricted in their use and, until applied to specific capital works, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

*(v) Employee future benefits*

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care and dental costs. Actuarial gains or losses are amortized on a straight line basis over the expected average remaining service life of all employees covered.

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

December 31, 2025

(All amounts are in thousands of dollars)

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**1. Accounting policies (continued)**

*(b) Basis of accounting (continued)*

*(vi) Tax revenue*

Tax revenue is recognized on all taxable properties within the City that are included in the tax roll provided by the Municipal Property Assessment Corporation, using property values included in the tax roll or property values that can be reasonably estimated by the City as it relates to supplementary or omitted assessments, at tax rates authorized by Council for the City's own purposes in the period for which the tax is levied.

*(vii) Investment income*

Investment income earned on surplus current funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue – obligatory reserve funds balance.

*(viii) Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash. Cash equivalents have a short-term maturity of three months or less from the year end date.

*(ix) Liability for contaminated Sites*

A liability for the remediation of a contaminated site is recognized as the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is determinable. If the likelihood of the City's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

*(x) Use of estimates*

The preparation of financial statements in conformity 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 and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates relate to the allowance for taxes receivable, the allowance for doubtful accounts receivable, accrued liabilities, employee future benefits, asset retirement obligations, contaminated sites and useful lives of tangible capital assets. Actual results could differ from these estimates.

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

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(All amounts are in thousands of dollars)

**2. Taxes receivable**

Taxes receivable represents uncollected taxes billed for the following purposes based on total assessments:

	<b>2025</b>	2024
	\$	\$
City of Burlington	<b>9,040</b>	8,828
Region of Halton	<b>6,216</b>	5,697
Halton school boards	<b>4,321</b>	4,211
	<b>19,577</b>	18,736

**3. Trust funds**

Trust funds administered by the City amounting to \$18,215 (\$15,440 in 2024) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

**4. Investments**

Investments of \$292,353 (\$304,880 in 2024) reported on the Consolidated Statement of Financial Position at cost, had a market value of \$257,797 (\$300,290 in 2024) at the end of the year. Investments consist mainly of federal, provincial, and municipal bonds and money market securities that mature in the range of 1-32 years. Interest rates on these investments range from 1%-6.4%. These investments are carried at amortized cost and not fair value given their fixed maturity value and interest rates.

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**The Corporation of the City of Burlington**  
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**5. Asset retirement obligations**

*Asbestos*

The City has a number of buildings containing asbestos requiring remediation upon decommissioning. Canada enacted significant health and safety regulations through the *Canada Occupational Health and Safety Regulations* ("COHSR") in 1986. The COHSR prescribed specific requirements on the presence and management of asbestos dust to which people may be exposed, including limits on airborne asbestos particles. Asbestos use has been less common since 1986 but was not completely banned in Canada until 2018, so a liability related to more recent constructions may also apply. This is particularly relevant to the municipality's older buildings where the liability is more imminent, as those buildings reach the end of their operating life.

*Fuel tanks*

In accordance with the Technical Standards and Safety Act and other applicable regulations, the Technical Standards & Safety Authority ("TSSA") regulates the transportation, storage, handling and use of fuels in Ontario. Regulations require underground fuel tanks to be registered with the TSSA, and establishes requirements for regular inspections, and for the abandonment and decommissioning of underground storage tanks. When an underground fuel tank is no longer in use, the removal must be performed by a qualified TSSA-registered contractor. The TSSA's regulations for underground fuel tanks clearly specify the requirements to decommission the tanks at the end of their useful lives, which would indicate that future economic benefits will be given up by the City, therefore resulting in an asset retirement obligation (ARO).

The estimated liability is the present value of the estimated future cash flows required to settle the asset retirement obligations is estimated at \$1,001.

A reconciliation of the beginning and ending aggregate carrying amount of the liability is as follows:

	<b>2025</b>	2024
	<b>\$</b>	\$
Balance, beginning of year	<b>969</b>	942
Changes during the year		
Accretion expense	<b>32</b>	27
Balance, end of year	<b>1,001</b>	969

**The Corporation of the City of Burlington**  
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**6. Deferred revenue - obligatory reserve funds**

A requirement of PSAS is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the legislatively restricted deferred revenue balances is as follows:

	<b>Development charges</b>	<b>Parkland</b>	<b>Grants</b>	<b>2025 Total</b>	2024 Total
	\$	\$	\$	\$	\$
Balance, beginning of year	<b>85,421</b>	<b>10,725</b>	<b>22,040</b>	<b>118,186</b>	113,136
Restricted funds received	<b>6,835</b>	<b>741</b>	<b>14,087</b>	<b>21,663</b>	29,319
Interest earned	<b>1,959</b>	<b>212</b>	<b>653</b>	<b>2,824</b>	4,638
Transfers between reserve funds	-	<b>(200)</b>	-	<b>(200)</b>	(200)
Revenue recognized	<b>(16,494)</b>	<b>(2,687)</b>	<b>(7,748)</b>	<b>(26,929)</b>	(28,707)
Balance, end of year	<b>77,721</b>	<b>8,791</b>	<b>29,032</b>	<b>115,544</b>	118,186

**7. Employee future benefits**

The City provides certain employee benefits which will require funding in future periods.

	<b>2025</b>	2024
	\$	\$
Banked overtime	<b>767</b>	678
WSIB	<b>15,837</b>	15,437
Vacation pay liability	<b>5,779</b>	6,305
Retiree benefits	<b>26,907</b>	25,471
Life, medical and dental benefits	<b>624</b>	624
	<b>49,910</b>	48,515

(a) *Liability for banked overtime*

Under the Employee Benefit Plan, unused banked overtime can accumulate and certain employees may become entitled to a cash payment upon termination of services.

(b) *Liability for Workplace Safety & Insurance ("WSIB")*

The City is a Schedule II employer under the Workplace Safety and Insurance Act. As a Schedule II employer, the City assumes the liability for any award made under the Act.

An actuarial valuation as at December 31, 2024, provided the basis for the liability of \$15,837 (\$15,437 in 2024). This increase in liability is the result of settlements of firefighter survivor benefit claims awarded and pending. The liability is net of an actuarial loss of \$3,036 (\$1,804 in 2024). Amortization of \$508 (\$374 in 2024) is included. A reserve fund in the amount of \$10,415 (\$9,625 in 2024) has been provided for this liability and is reported in Note 11.

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

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(All amounts are in thousands of dollars)

**7. Employee future benefits (continued)**

*(c) Retiree benefits*

A liability of \$26,907 (\$25,471 in 2024) has been reported on the Consolidated Statement of Financial Position for the liability accruing to existing employees for dental, health care and life benefits and for retired employees for dental, health and life benefits coverage up to the age of 65. The amounts reported are based on an actuarial valuation that was conducted as at December 31, 2024, using a discount rate of 4.25% and assuming an inflation rate of 2.25%. The liability is net of an unamortized actuarial loss of \$2,689 (\$3,167 in 2024) due to the actual experience as compared with the previous actuarial update but includes amortization of \$478 (\$365 in 2024). A reserve fund in the amount of \$4,749 (\$4,177 in 2024) has been provided for this liability and is reported in Note 11.

The City maintains life, medical and dental insurance for disabled employees. The liability is estimated at \$624 (\$624 in 2024).

Information about the City's retiree benefits plan is as follows:

	2025 \$	2024 \$
Accrued benefit obligation		
Balance, beginning of year	(28,638)	(20,268)
Current benefit expense	(1,341)	(961)
Interest	(1,212)	(656)
Increase due to plan amendment	-	(7,074)
Benefits paid	1,595	1,136
Actuarial loss from valuation	-	(815)
Accrued benefit obligation, end of the year	(29,596)	(28,638)
Unamortized actuarial loss	2,689	3,167
Liability for benefits	(26,907)	(25,471)
Amortization of actuarial loss	(478)	(365)

**8. Pension agreements**

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of its entire permanent staff. The Plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay.

Contributions to OMERS are made at rates ranging from 9% to 15.8%. Contribution rates are dependent on proposed retirement age and the level of earnings. The amount contributed to OMERS for 2025 was \$13,381 (\$12,495 in 2024) for current service and is included as an expense on the Consolidated Statement of Operations.

The OMERS pension plan has a funding deficit of \$1,300,000 at December 31, 2025 based on the actuarial funding valuation as at that date. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

**The Corporation of the City of Burlington**  
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December 31, 2025

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**9. Long-term debt**

(a) Long-term debt includes amounts incurred by the City including those incurred on behalf of municipal enterprises. The principal repayments required over the next 5 years and thereafter are detailed as follows:

	\$
2026	15,102
2027	11,965
2028	11,430
2029	10,877
2030	10,369
2031 and thereafter	<u>64,812</u>
	<u>124,555</u>

(b) Total debt charges for the year were as follows:

	2025 \$	2024 \$
Principal payments	<b>14,870</b>	16,437
Interest	<b>3,982</b>	4,143
	<b>18,852</b>	20,580

These charges were financed from the following sources:

	2025 \$	2024 \$
General municipal revenues	<b>14,870</b>	16,437
Benefiting landowners	-	-
	<b>14,870</b>	16,437

By-law	Purpose	Interest rates %	Maturity dates	2025 \$
26-16	Various	1.200-2.650	2026	<b>3,508</b>
15-17	Various	1.150-2.850	2027	<b>1,761</b>
12-18	Various	1.850-3.200	2033	<b>9,715</b>
59-19	Various	1.900-2.500	2029	<b>3,291</b>
06-20	Various	0.650-1.800	2030	<b>3,529</b>
20-21	Various	0.300-2.250	2031	<b>4,107</b>
30-22	Various	2.600-3.700	2032	<b>9,582</b>
42-23	Various	3.500-4.650	2038	<b>30,692</b>
57-23	Various	4.800-5.450	2038	<b>18,094</b>
18-24	Various	4.100-4.800	2038	<b>15,816</b>
09-25	Various	2.800-4.700	2039	<b>24,460</b>
				<b>124,555</b>

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**  
December 31, 2025  
(All amounts are in thousands of dollars)

**10. Tangible capital assets**

	Land \$	Buildings \$	Vehicles \$	Machinery and equipment \$	Land improvements \$	Linear Assets \$	Work-in- progress \$	2025 Total \$
<b>Cost</b>								
Balance, beginning of year	213,794	317,452	98,326	57,873	127,113	745,412	91,623	1,651,593
Additions	131	39,816	9,617	5,995	4,752	13,436	7,594	81,341
Disposals	—	(1,629)	(928)	(7,355)	(2,372)	(6,185)	—	(18,469)
Balance, end of year	213,924	355,639	107,015	56,513	129,493	752,663	130,634	1,714,465
<b>Accumulated amortization</b>								
Balance, beginning of year	—	170,186	57,041	31,359	52,611	309,718	—	620,915
Disposals	—	(1,544)	(872)	(7,353)	(2,371)	(5,973)	—	(18,113)
Amortization expense	—	9,657	6,963	4,946	4,447	16,174	—	42,187
Balance, end of year	—	178,299	63,132	28,952	54,687	319,919	—	644,989
Net book value, end of year	213,924	177,340	43,883	27,562	74,807	432,745	130,631	1,069,476

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

December 31, 2025

(All amounts are in thousands of dollars)

**10. Tangible capital assets (continued)**

	Land \$	Buildings \$	Vehicles \$	Machinery and equipment \$	Land improvements \$	Linear Assets \$	Work-in- progress \$	2024 Total \$
<b>Cost</b>								
Balance, beginning of year	210,043	316,575	88,195	47,763	121,202	732,849	46,956	1,563,583
Additions	3,751	1,034	11,044	17,208	6,015	12,656	63,480	115,188
Disposals	—	(157)	(913)	(7,098)	(104)	(93)	(18,813)	(27,178)
Balance, end of year	213,794	317,452	98,326	57,873	127,113	745,412	91,623	1,651,593
<b>Accumulated amortization</b>								
Balance, beginning of year	—	161,293	51,220	34,117	48,443	293,734	—	588,807
Disposals	—	(157)	(819)	(7,098)	(104)	(82)	—	(8,260)
Amortization expense	—	9,050	6,640	4,340	4,272	16,066	—	40,368
Balance, end of year	—	170,186	57,041	31,359	52,611	309,718	—	620,915
Net book value, end of year	213,794	147,266	41,285	26,514	74,502	435,694	91,623	1,030,678

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**The Corporation of the City of Burlington**  
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December 31, 2025

(All amounts are in thousands of dollars)

**11. Accumulated surplus**

	2025 \$	2024 \$
Accumulated surplus		
Tangible capital assets	<b>1,064,094</b>	1,030,678
Operating fund	<b>260,747</b>	237,350
Reserve fund	<b>135,605</b>	140,425
Unfunded	<b>(174,465)</b>	(163,480)
	<b>1,285,981</b>	1,244,973
Reserve and reserve funds set aside by Council		
Capital purposes	<b>46,259</b>	49,431
Vehicle and equipment replacement	<b>3,971</b>	4,385
Stabilization reserve funds	<b>14,765</b>	18,211
Contingency reserve	<b>10,082</b>	11,546
Employee accident reserve fund	<b>10,415</b>	9,625
Employee benefits reserve fund	<b>4,749</b>	4,177
Corporate reserve	<b>5,295</b>	5,742
Program specific reserve funds	<b>30,899</b>	27,280
Local boards reserve funds	<b>9,104</b>	9,969
Program specific reserve	<b>67</b>	59
	<b>135,605</b>	140,425

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as above.

**12. Investment in Burlington Enterprises Corporation (formerly "Burlington Hydro Electric Inc.")**

In compliance with provincial legislation enacted to restructure the electrical industry in Ontario, Council approved the incorporation of the electricity distribution business of the former Burlington Hydro-Electric Commission (the "Commission"). Pursuant to this legislation, the City incorporated three companies, Burlington Hydro Electric Inc. ("BHEI") and its wholly-owned subsidiaries, Burlington Hydro Inc. ("BHI") and Burlington Electricity Services Inc. ("BESI").

BHEI was incorporated on December 1, 1999 as a wholly-owned subsidiary of the City and commenced active operations on January 1, 2000. At incorporation, 1,000 shares were issued for \$100 cash to the City. Effective January 1, 2000, substantially all of the assets and liabilities of the former Commission were transferred to BHEI. Effectiver October 15, 2019, BHEI was renamed Burlington Enterprises Corporation ("BEC").

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(All amounts are in thousands of dollars)

**12. Investment in Burlington Enterprises Corporation (formerly "Burlington Hydro Electric Inc.") (continued)**

The City's financial statements reported an increase in municipal position as a result of this transaction and the subsequent operations of BEC, which is comprised of the following:

	\$
Continuity of investment	
Balance at January 1, 2025	149,720
Net income for year	4,709
Dividends received during the year	(4,164)
Net increase in equity during the year	545
Ending balance, December 31, 2025	<b>150,265</b>

As a business enterprise of the City, BEC is accounted for on a modified equity basis in these financial statements.

The following table provides condensed, consolidated supplementary financial information for BEC for the years ended December 31, 2025 and 2024:

	2025 \$	2024 \$
Financial position		
Current assets	<b>62,751</b>	60,988
Capital assets	<b>226,053</b>	214,009
Other assets	<b>11,527</b>	12,273
Regulatory balances	<b>31,027</b>	35,106
	<b>331,358</b>	322,376
Current liabilities	<b>53,791</b>	53,251
Promissory note payable to City of Burlington	<b>47,879</b>	47,879
Customer's deposits	<b>2,222</b>	2,262
Ontario Infrastructure Loan	<b>12,593</b>	14,795
Finance lease liabilities	<b>101</b>	73
Other liabilities	<b>882</b>	-
Deferred revenue	<b>76,534</b>	69,759
Deferred tax liability	<b>8,875</b>	9,023
Liability for future benefits	<b>4,508</b>	4,123
Regulatory balances	<b>21,537</b>	19,370
	<b>228,922</b>	220,535
Net assets	<b>102,386</b>	101,841
Results of operations		
Net revenues	<b>52,607</b>	46,501
Operating expenses	<b>(47,898)</b>	(39,820)
	<b>4,709</b>	6,681

**The Corporation of the City of Burlington**  
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(All amounts are in thousands of dollars)

**12. Investment in Burlington Enterprises Corporation (formerly "Burlington Hydro Electric Inc.") (continued)**

	<b>2025</b>	2024
	<b>\$</b>	<b>\$</b>
The investment in BEC is represented by the following		
Total net assets	<b>102,386</b>	101,841
Promissory note receivable	<b>47,879</b>	47,879
	<b>150,265</b>	149,720

The following summarizes the City's related party transactions with BEC for the year. All transactions are in the normal course of operations and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

Gross revenue earned by BEC from the City of Burlington \$4,611 (\$3,958 in 2024). Of this amount, \$556 (\$503 in 2024) was net distribution revenue.

Payments in Lieu of Taxes paid to the City of Burlington by BEC were \$135 (\$149 in 2024).

In 2021, the City entered into a property lease agreement with BEC for a term of 25 years. During the year the City paid \$153 (\$149 in 2024) from this agreement and \$4 (\$3 in 2024) from other lease related transactions.

In 2025, the City entered into an additional lease agreement with BEC for a term of 4 years. During the year the City paid \$113 (\$111 in 2024) from this agreement.

**13. Segmented information**

The City of Burlington is a diversified lower tier municipality that provides a wide range of services to its citizens, including fire, public transit and recreation programs.

City services are provided by departments, and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide are as follows:

*General Government*

The General Government section is a key part of the City of Burlington enabling the city to meet its strategic plan goals and in assisting the Community Services and Development & Infrastructure divisions in achieving their service delivery and operational needs. It includes the Mayor and Council, Finance Department, Human Resources Department, Legal and Legislative Services Department, Burlington Digital Services Department.

*Protection of Persons & Property*

This section includes net revenue the City realizes from the operations of the Provincial Offences Act ("POA") as well as the costs associated with operating the Burlington Fire Department. The Burlington Fire Department is a composite force consisting of highly trained and caring professionals who provide vital emergency services serving the diverse needs of the community.

Activities of the Department include fire suppression, fire prevention, public education, training and emergency planning.

**The Corporation of the City of Burlington**  
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December 31, 2025

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**13. Segmented information (continued)**

*Roads, Parks and Forestry department*

The Roads, Parks and Forestry Department provides services related to maintaining roads and parks. This includes awareness and planning for maintenance activities related to growth. The services include winter control activities.

*Transit and traffic department*

The Transit and Traffic Department is comprised of 3 sections:

The Transit Section is responsible for the provision of public transit services in Burlington including the administration, planning, operations and vehicle maintenance for conventional and specialized transit services.

The Traffic Signal Systems and Parking Section are responsible for the operation and maintenance of the computerized Traffic Signal Control System, Parking By-law enforcement and the management of municipal parking facilities within the downtown.

The Traffic Services Section is responsible for traffic control, traffic calming projects, collision data analysis and School Crossing Guards.

*Recreation and culture*

It is under the umbrella of recreation and culture that the City presents recreational and cultural opportunities to its citizens. This not only includes recreational programs that foster healthy, active living but also includes the operations of the Libraries, Performing Art Centre and Museums of the City.

*Planning and Development*

This division's responsibilities include planning development, planning policy, economic development, environmental initiatives, building approvals and inspections within the jurisdiction of the department.

*Other*

This section consists of other corporate Revenues and Expenses that are not department specific.

Certain allocation methodologies are employed in the preparation of segmented financial information. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund services based on the Fund's net surplus. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

December 31, 2025

(All amounts are in thousands of dollars)

**13. Segmented information (continued)**

	General government \$	Protection to persons & property \$	Roads, parks and forestry \$	Transit and traffic \$	Recreation and culture \$	Planning and development \$	Reserves and other \$	2025 \$
Revenue								
Taxation	47,133	42,082	38,103	24,073	55,913	5,135	57,524	269,963
User fees and charges	8,026	2,506	46,239	7,600	13,023	2,734	—	80,128
Government transfers	761	853	5,152	1,563	971	1,060	—	10,360
Investment income	24	—	62	—	246	121	10,787	11,240
Contributions from developers	534	827	2,930	234	1,791	—	—	6,316
Fines and penalties	4,051	10,985	—	2,044	—	—	—	17,080
Rents and concessions	132	55	—	434	7,298	—	—	7,919
Licenses and permits	271	5,337	319	1,494	733	754	—	8,908
Other revenues	430	44	(112)	7	1,153	126	5,821	7,469
Burlington Enterprises Corporation, net increase in equity	—	—	—	—	—	—	545	545
Contributed tangible capital assets	—	—	—	—	—	—	—	—
	<b>61,362</b>	<b>62,689</b>	<b>92,693</b>	<b>37,449</b>	<b>81,128</b>	<b>9,930</b>	<b>74,677</b>	<b>419,928</b>
Expenses								
Salaries and wages	40,061	51,163	21,817	22,627	35,795	9,505	—	180,968
Interest on long-term debt	3,820	—	—	—	350	—	—	4,170
Materials	276	1,465	5,938	6,340	8,770	553	—	23,342
Contracted services	15,063	3,463	22,129	38,597	10,863	1,017	—	91,132
Rents and financial expenses	5,455	5,048	214	146	2,730	90	—	13,683
External transfers	521	(41)	10	3	15,600	1,962	—	18,055
Amortization	2,291	2,169	19,975	4,612	13,125	15	—	42,187
	<b>67,487</b>	<b>63,267</b>	<b>70,083</b>	<b>72,325</b>	<b>87,233</b>	<b>13,142</b>	<b>—</b>	<b>373,537</b>
Annual (deficit) surplus	<b>(6,125)</b>	<b>(578)</b>	<b>22,610</b>	<b>(34,876)</b>	<b>(6,105)</b>	<b>(3,212)</b>	<b>74,677</b>	<b>46,391</b>

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

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**13. Segmented information (continued)**

	General government \$	Protection to persons & property \$	Roads, parks and forestry \$	Transit and traffic \$	Recreation and culture \$	Planning and development \$	Reserves and other \$	2024 \$
<b>Revenue</b>								
Taxation	34,045	38,717	298	24,692	35,383	5,453	111,214	249,802
User fees and charges	5,444	2,052	22,247	7,491	14,575	3,698	—	55,507
Government transfers	—	2,258	6,363	4,903	572	128	—	14,224
Investment income	—	50	773	—	459	513	9,898	11,693
Contributions from developers	—	—	—	—	—	—	8,038	8,038
Fines and penalties	3,557	9,929	—	1,888	—	—	—	15,374
Rents and concessions	173	66	168	290	6,384	—	—	7,081
Licenses and permits	273	5,313	210	1,404	960	796	—	8,956
Other revenues	1,620	32	39	416	2,604	113	3,903	8,727
Burlington Enterprises Corporation, net increase in equity	—	—	—	—	—	—	4,257	4,257
Contributed tangible capital assets	—	—	1,097	—	—	—	—	1,097
	<b>45,112</b>	<b>58,417</b>	<b>31,195</b>	<b>41,084</b>	<b>60,937</b>	<b>10,701</b>	<b>137,310</b>	<b>384,756</b>
<b>Expenses</b>								
Salaries and wages	—	—	—	—	—	—	—	—
Interest on long-term debt	3,914	—	—	—	262	—	—	4,176
Materials	533	1,442	3,710	7,285	8,835	683	—	22,488
Contracted services	16,913	4,376	29,413	7,144	17,019	1,499	—	76,364
Rents and financial expenses	5,381	44	173	128	2,463	133	—	8,322
External transfers	1,816	2,825	7	677	1,413	(34)	—	6,704
Amortization	1,456	1,932	15,231	7,920	12,225	18	—	38,782
	<b>72,907</b>	<b>60,776</b>	<b>71,822</b>	<b>44,362</b>	<b>86,337</b>	<b>12,224</b>	<b>—</b>	<b>348,428</b>
Annual (deficit) surplus	<b>(27,795)</b>	<b>(2,359)</b>	<b>(40,627)</b>	<b>(3,278)</b>	<b>(25,400)</b>	<b>(1,523)</b>	<b>137,310</b>	<b>36,328</b>

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

December 31, 2025

(All amounts are in thousands of dollars)

**14. Lease agreements**

The City has entered into lease agreements for office equipment, facility space, vehicles and other services, at a present value of \$37,305 (2024 - \$33,561), which have received Ontario Municipal Board approval where necessary. The aggregate minimum payments under these leases over the next five years and thereafter are as follows:

	\$
2026	2,927
2027	2,719
2028	2,214
2029	2,232
2030	2,102
2031 - 2048	36,921
	<u>49,115</u>

**15. Commitments and contingencies**

*Commitment*

BEC has a \$20,000 revolving line of credit facility available for use. A letter of credit in the amount of \$18,000 has been issued in favour of the Independent Electricity Service Operator ("IESO") as security for BEC's purchase of electricity through the IESO. No other amounts were drawn down on the line of credit or non-revolving credit facility at year-end. The credit facility is secured by a general security agreement over Burlington Hydro Inc.'s assets.

*Joseph Brant Hospital*

Council approved a commitment to the Joseph Brant Hospital expansion project of \$60,000. This was approved as part of the 2010 current budget approval which took place at the Council meeting of March 22, 2010. Funding of the commitment will be through a dedicated tax levy which began in 2010. The 2025 dedicated tax levy was \$2,600 (\$2,600 in 2024). A contribution agreement between the City of Burlington and the Joseph Brant Hospital has been signed. As of December 31, 2025 the City had contributed \$58,597 (\$58,597 in 2024) to the project.

*Contingencies*

As at December 31, 2025, certain legal actions and other contingent liabilities are pending against the City. The outcome of these matters is indeterminate at this time and has therefore not been reflected in these consolidated financial statements.

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**

December 31, 2025

(All amounts are in thousands of dollars)

**16. Budget figures**

Budget figures presented in these consolidated financial statements are based upon the 2025 operating and capital budgets approved by Council. The chart below reconciles the approved budget figures reported in these consolidated financial statements.

	Budget amount \$
Revenue	
Operating	356,307
Capital	13,969
Local Boards	4,977
Less	
Transfers from (to) other funds	24,460
Proceeds on debt issue	(24,460)
	<u>375,253</u>
Expenses	
Operating	298,336
Amortization	45,230
Local Boards	8,780
Less	
Transfers to (from) other funds	(2,420)
Debt principal payments	(14,870)
Contributions to boards	17,291
	<u>352,347</u>
Annual surplus	<u>22,906</u>

**17. Contractual rights**

The City holds leases with the tenants of Sims Square, a City-owned property located at 390 Brant Street, for the rental of office and retail spaces. The City is contractually entitled to lease payments for the next 5 years and thereafter, as follows:

	\$
2026	918
2027	847
2028	677
2029	262
2030	42
Thereafter	-
	<u>2,746</u>

**The Corporation of the City of Burlington**  
**Notes to the consolidated financial statements**  
December 31, 2025  
(All amounts are in thousands of dollars)

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**18. Net change in non-cash working capital balances**

The changes in non-cash working capital items are as follows:

	<b>2025</b>	2024
	<b>\$</b>	\$
Taxes receivable	<b>(841)</b>	(1,926)
Accounts receivable	<b>(14,755)</b>	(13,802)
Inventories	<b>(47)</b>	724
Prepaid expenses	<b>(1,815)</b>	(193)
Accounts payable and accrued liabilities	<b>15,435</b>	12,280
Asset retirement obligation	<b>32</b>	27
Other liabilities	<b>(88)</b>	(24)
Deferred revenue - general	<b>687</b>	(885)
Deferred revenue - obligatory reserve funds	<b>(2,642)</b>	5,050
Employee future benefits	<b>1,395</b>	8,119
	<b>(2,639)</b>	9,370

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Financial statements of  
The Trust Funds of the Corporation  
of the City of Burlington

December 31, 2025

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DRAFT

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Independent Auditor's Report	1-2
Statement of financial activities and fund balances	3
Statement of financial position	4
Notes to the financial statements	5

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DRAFT

## 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, 2025, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2025, 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 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 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 opinion.

### Responsibilities of Management and Council 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 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.

## 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 are 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  
June 23, 2026

# The Trust Funds of the Corporation of the City of Burlington

Statement of financial activities and fund balances  
year ended December 31, 2025

(In thousands of dollars)

	Advanced building permits	Developer performance deposits	Landscape deposits and contractual holdbacks	POA Trust	Cemetery Trust Fund	Total 2025	Total 2024
	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>							
Contributions	-	-	7,211	58	70	7,339	2,305
Interest earned	-	-	-	23	-	23	55
	-	-	7,211	81	70	7,362	2,360
<b>Expenses</b>							
Contribution refunds	-	-	4,552	16	19	4,587	1,888
Excess of revenue over expenses	-	-	2,659	65	51	2,775	472
Fund balance, beginning of year	289	24	12,222	1,273	1,632	15,440	14,968
<b>Fund balance, end of year</b>	<b>289</b>	<b>24</b>	<b>14,881</b>	<b>1,338</b>	<b>1,683</b>	<b>18,215</b>	<b>15,440</b>

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

# The Trust Funds of the Corporation of the City of Burlington

Statement of financial position  
as at December 31, 2025

(In thousands of dollars)

	Advanced building permits	Developer performance deposits	Landscape deposits and contractual holdbacks	POA Trust	Cemetery Trust Fund	Total 2025	Total 2024
	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>							
Cash	-	-	-	-	8	8	98
Investments							
Provincial	-	-	-	-	1,404	1,404	1,330
Municipal - other	-	-	-	-	271	271	205
Deposits	289	24	14,881	1,338	-	16,532	13,807
	<b>289</b>	<b>24</b>	<b>14,881</b>	<b>1,338</b>	<b>1,683</b>	<b>18,215</b>	<b>15,440</b>
<b>Fund balances</b>							
Capital	289	24	14,881	1,338	1,683	18,215	15,440
	<b>289</b>	<b>24</b>	<b>14,881</b>	<b>1,338</b>	<b>1,683</b>	<b>18,215</b>	<b>15,440</b>

Approved by the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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

# The Trust Funds of the Corporation of the City of Burlington

## Notes to the financial statements

December 31, 2025

(All amounts are in thousands of dollars)

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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 public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

#### (a) Basis of preparation

These statements reflect the revenues, expenditures, assets and liabilities of the following trust funds:

Cemetery care and maintenance  
Landscape deposits and contractual holdbacks  
Developers' performance deposits  
Advance building permits  
Deferred Compensation Plan  
Halton Court Services - Provincial Offences Administration

### 2. Investments

The total of investments of \$1,676 (2024 - \$1,535) are recorded on the "Statement of Financial Position" at amortized cost. The investments are held in provincial bonds, with maturity dates ranging from 2026 to 2055, and interest rates ranging from 2.8% to 8%. Investments have a market value of \$1,580 (2024 - \$1,486) as at the end of the year.

### 3. Deposits

Deposit receipts reported on the statement of financial position \$16,531 (2024 - \$13,807) 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.



Audit Results Report  
Presentation for the  
Corporation of the City of  
Burlington

FOR THE YEAR ENDED DECEMBER 31, 2025





## To the Members of the Audit Committee (the “Committee”)



### Members of the Audit Committee

The Corporation of the City of Burlington  
426 Brant Street  
Burlington ON L7R 3Z6

### Dear Chair and Audit Committee Members:

We are pleased to submit this report on the status of our audit of Corporation of the City of Burlington (“the City”) for the 2025 fiscal year. This report summarizes the scope of our audit, our findings and reviews certain other matters that we believe to be of interest to you.

As agreed in our engagement letter dated October 2, 2025, we have performed 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, 2025
- 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, 2025, and
- Financial statements of the Burlington Public Library Board, Burlington Economic Development Corporation, Burlington Museums Board, Burlington Theatre Board, Burlington Aldershot Village Business Improvement Association, and Burlington Downtown Business Improvement Association (the “Boards”) as at, and for the year ended, December 31, 2025.

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 audit has been conducted in accordance with the audit plan that was presented to the Audit Committee at the meeting on December 3, 2025.

This report is intended solely for the information and use of the Audit Committee, management and others within the City and is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,

Chartered Professional Accountants

Licensed Public Accountants

© Deloitte LLP and affiliated entities.

## Executive Summary



### Audit scope and terms of the engagement

We have been asked to perform an audit of the City's financial statements (the "financial statements") in accordance with Canadian Public Sector Accounting Standards ("PSAS") as at and for the year ended December 31, 2025. Our audit was conducted in accordance with Canadian generally accepted auditing standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the engagement letter dated October 2, 2025. We have developed appropriate safeguards and procedures to eliminate threats to our independence or to reduce them to an acceptable level.

### Audit risks

1. Revenue recognition and deferred revenue
2. Management override of controls
3. Tangible capital assets
4. Year-end accruals and other estimates



### Audit plan

#### Materiality

Materiality levels are determined on the basis of total expenses. Our materiality for the year ended December 31, 2025 was \$10,000,000 (2024, \$9,000,000). Uncorrected misstatements totaled \$nil. Refer to Appendix 3.

Current Year	3% of expenses	\$9M
Prior Year		\$9M



### Audit Technology

We deployed new audit software listed below in the current year:

- **Gen.D**
- **Deloitte Connect**
- **Deloitte Tie-out**
- **Project Zero**

The audit was more technology enabled and embedded which improved quality in our process.



## Executive Summary (cont.)



### Outstanding matters & next steps

- Receipt of legal letters
- Receipt of signed Management's representation letter
- Completion of our subsequent events procedures



### Highlights

No significant deficiencies identified in internal controls testing to date.



### Other

#### Going concern

Management has completed its assessment of the ability of the City to continue as a going concern and in making its assessment did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the City's ability to continue as a going concern. We agree with management's assessment.

#### Results

No restrictions have been placed on the scope of our audit. We intend to issue an unmodified Independent Auditor's Report on the consolidated financial statements of the City for the year ended December 31, 2025, once the outstanding items referred to above are completed satisfactorily and the financial statements are approved by Council.



## RISKS AND AUDIT EXECUTION





## Risks and Audit Execution

### Revenue Recognition and Deferred Revenue

#### RISK LEVEL

# Significant

#### Risks:

- Under Canadian GAAS, we are required to evaluate the risk of fraud in revenue recognition. We have pinpointed this risk to occurrence, accuracy and cutoff relating to specific revenue streams.
- This represents a fraud risk for the 2025 audit.

#### Audit Response:

- We evaluated the design and implementation of key internal controls that address this risk. We did not rely on controls.
- We performed 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.
- We concluded that the internal controls were designed and implemented appropriately.

#### Audit Results:

- We obtained sufficient audit evidence to conclude that there were no material misstatements.



## Risks and Audit Execution (cont'd)

### Management Override of Controls

#### RISK LEVEL

# Significant

#### Risk:

- Under Canadian Auditing Standards, it is the responsibility of the management, with the oversight of those charged with governance to place a strong emphasis on fraud prevention and detection. Oversight by those charged with governance includes considering the potential for override of controls or other inappropriate influence over the financial reporting process.
- Management override of controls is present in all entities. It is a risk of material misstatement resulting from fraud and therefore is considered as a significant risk.

#### Audit Response:

- We discussed fraud with management.
- We asked the Audit Committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the City and their role in the oversight of management's antifraud programs.
- We tested a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period.
- We evaluated the business rationale for any significant unusual transactions.
- We determined whether the judgements and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates.

#### Audit Results:

- We obtained sufficient audit evidence to conclude that there were no material misstatements.



## Risks and Audit Execution (cont'd)

### Tangible Capital Assets

#### RISK LEVEL

**Higher**

#### Risk:

- Appropriate accounting and disclosure of tangible capital assets.

#### Audit Response:

- We tested, on a sample basis, capital asset additions and disposals.
- We tested, on a sample basis, transfers from work in progress ("WIP") to the applicable asset classes to ensure the project was completed and moved into the correct asset class.
- We tested, on a sample basis, items recorded as repairs and maintenance to ensure these amounts were appropriately expensed.
- We tested through analytical procedures the current year amortization.
- We reviewed the disclosures in the financial statements to ensure compliance with the applicable account standards.

#### Audit Results:

- We obtained sufficient audit evidence to conclude that there were no material misstatements.



## Risks and Audit Execution (cont'd)

### Year End Accruals and Other Estimates

#### RISK LEVEL

# Higher

#### Risk:

- Estimates require management judgements and assumptions.

#### Audit Response:

- We tested, on a sample basis, transactions recorded subsequent to year end to identify any unrecorded liabilities.
- We viewed unpaid invoices subsequent to year end to identify any unrecorded liabilities.
- We obtained documentation on management's controls over accounting estimates.
- We reviewed and assessed the consistency of major assumptions used to develop significant accounting estimates.
- We obtained calculations from experts for accruals, such as employee future benefit liability, and assessed the assumptions and data used to prepare the report.

#### Audit Results:

- We obtained sufficient audit evidence to conclude that there were no material misstatements.



## MATTERS OF INTEREST





## Matters of Interest

### Using the work of specialists

#### Matter of interest: Using the work of specialists

##### Deloitte's approach:

As planned, Deloitte and external specialists and experts assisted in the audit to the extent we considered necessary:

- 1. City's independent actuary:** Determination of the City's post-employment benefits liability and related expenses. We reviewed and tested data and key assumptions used in the actuarial valuation and related extrapolations, ensured the disclosure in the consolidated financial statements complies with PSAS requirements and that the actuary is in good standing with the Canadian Institute of Actuaries.
- 2. City's Lawyers:** Confirm the status of legal claims and assess their impact on the City's consolidated financial statements.

**We used our own Deloitte IT specialists to test the design and implementation of the City's general computer information technology internal controls.**

**Our assessment provided us with sufficient, appropriate audit evidence; therefore no additional audit procedures were required.**



## Matters of Interest

### Significant accounting policies, judgments, and estimates

#### Significant accounting policies

Significant accounting policies are those that are most important and representative of the City's financial condition and financial performance.

In the course of our audit 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.

The City's significant accounting policies are disclosed in Note 1 to the financial statements.

In our judgment, 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.

#### Management judgments and accounting estimates

Accounting estimates are an integral part of the 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.

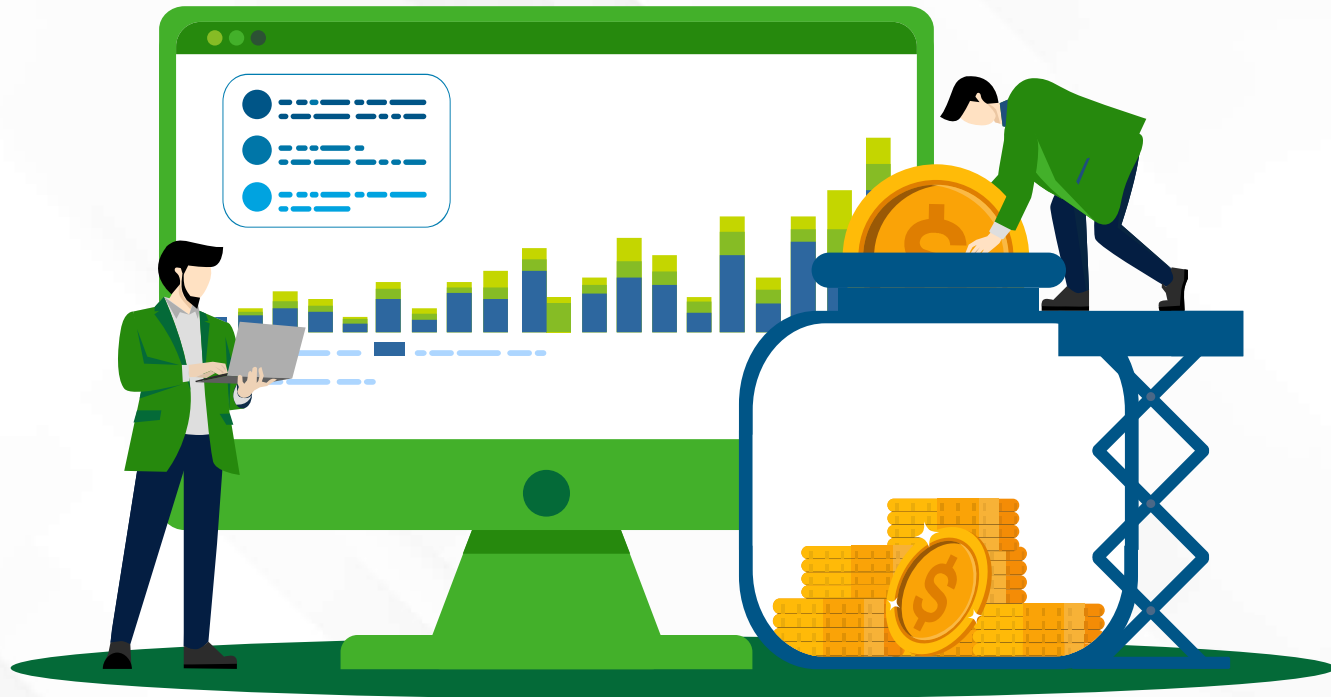
During the year ended December 31, 2025, management advised us that there were no significant changes in accounting estimates or in judgments relating to the application of the accounting policies. There were no new accounting standards that had an impact on the City's financial statements.

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 around estimation uncertainty is in accordance with PSAS and is appropriate to the particular circumstances of the City.

	2025 (in 000s)	2024 (in 000s)
Employee future benefits	\$49,910	\$48,515
Asset retirement obligations	\$1,001	\$969



## APPENDICES





## Appendix 1 – Communication requirements and other reportable matters

Canadian GAAS standards require that we communicate to the Committee on the following matters:

Required communication	Reference/Comments	Refer to this report or document described below
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	CAS <sup>1</sup> 260.14	Refer to our engagement letter dated October 2, 2025.
2. An overview of the overall audit strategy, addressing: <ol style="list-style-type: none"> <li>Timing of the audit</li> <li>Significant risks, including fraud risks</li> <li>Nature and extent of specialized skill or knowledge need to perform the planned audit procedures related to significant risk</li> </ol>	CAS 260.15	Audit service plan presented to the Audit Committee on December 3, 2025.
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2, CAS 550.27	None noted.
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	CAS 240.21	We asked the Committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the City and their role in the oversight of management's antifraud programs.
5. Any known suspected or alleged fraud affecting the City	CAS 240.22	None noted.
6. Whether the City is in compliance with laws and regulations	CAS 250.15	Management is responsible for ensuring that the City's operations are conducted in accordance with the laws and regulations applicable to the City. The responsibility for preventing and detecting non-compliance rests with management. The auditor is not and cannot be held responsible for preventing non-compliance with laws and regulations. Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the City.
7. Modification to our audit plan and strategy	CAS 260.A26	The audit was conducted in accordance with our Audit service 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 service plan.
8. Fraud or possible fraud identified through the audit process	CAS 240.40-.42	We are not aware of any fraudulent events.
9. Significant accounting policies, practices, unusual transactions, and our related conclusions	CAS 260.16 a.	See page 12 of this report. No unusual transactions noted.

## Appendix 1 – Communication requirements and other reportable matters

Canadian GAAS standards require that we communicate to the Committee on the following matters:

Required communication	Reference/Comments	Refer to this report or document described below
10. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.	None
11. Matters related to going concern	CAS 570.25	We concluded that there was no substantial doubt about the City's ability to continue as a going concern
12. Management judgments and accounting estimates	CAS 260.16 a.	See page 5 of this report.
13. Significant difficulties, if any, encountered during the audit	CAS 260.16 b.	None noted.
14. Material written communications between management and us, including	CAS 260.16 c.	Management representations letter will be signed by management as at the date of financial statement approval. See Appendix 3 – Draft management representation letter.
15. Circumstances that affect the form and the content of the auditor's report	CAS 260.16d.	None
16. Modifications to our opinion	CAS 260.A21	None.
17. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns	CAS 260.A22	None.
18. Significant matters discussed with management	CAS 260.A.22	None noted.

## Appendix 1 – Communication requirements and other reportable matters

Canadian GAAS standards require that we communicate to the Committee on the following matters:

Required communication	Reference/Comments	Refer to this report or document described below
19. Matters involving non-compliance with laws and regulations that come to our attention, unless prohibited by law or regulation, including illegal or possibly illegal acts that come to our attention	CAS 250.23	<i>Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the City.</i>
20. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	CAS 265	<i>No deficiencies to report.</i>
21. Uncorrected misstatements and disclosure items	CAS 450.12-13	<i>In accordance with Canadian GAAS, we request that all misstatements be corrected. There were no uncorrected misstatements and no uncorrected disclosures to report.</i>
22. Any significant matters arising during the audit in connection with the City's related parties	CAS 550.27	<i>None noted.</i>
23. Changes to the audit plan	CAS 260.A26	<i>No changes to audit plan.</i>
24. Concerns regarding management competence and integrity	CAS 260.11, A38	<i>We have not determined any concerns regarding management competence and integrity.</i>
25. Disagreements with management	CAS 260.16(c)(i), A22	<i>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.</i>
26. Subsequent events	CAS 260.10(a), 260.13(b), 260.14(a), 260.17	<i>None noted</i>
27. Limitations when sending confirmations	CAS 505.9	<i>Not applicable.</i>
28. Litigation	CAS 260.16(a), A19-20, App. 2	<i>Not applicable.</i>



## Appendix 2 – Independence matters

See next page.

May 20, 2026

The Audit Committee  
**The Corporation of the City of Burlington**  
426 Brant Street  
Burlington ON L7R 3Z6

Dear Audit Committee Members:

We have been engaged to audit the consolidated financial statements of the Corporation of the City of Burlington (the "City") for the year ended December 31, 2025.

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.

We applied the ethical requirements that are relevant to audits of financial statements in Canada and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code).

In determining which relationships to report, we have considered relevant rules and related interpretations prescribed by the appropriate provincial regulator/ordre 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.
- 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.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since August 15, 2025 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 August 15, 2025 to May 20, 2026.

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 May 20, 2026.

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

Yours truly,

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



## Appendix 3 – Draft management representations letter

See next page.

June 23, 2026

Deloitte LLP  
5500 North Service Road  
Suite 700  
Toronto ON L7L 6W6

Dear Mr. Trevor Ferguson:

**Subject: Consolidated financial statements of the Corporation of the City of Burlington for the year ended December 31, 2025**

This representation letter is provided in connection with the audit by Deloitte LLP (“Deloitte” or “you”) of the consolidated financial statements of the Corporation of the City of Burlington (the “City” or “we” or “us”) as of and for the year ended December 31, 2025, the notes to the consolidated financial statements and a summary of significant accounting policies (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 Public Sector Accounting Standards (“PSAS”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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 engagement letter between the City and Deloitte dated October 2, 2025 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, 2025 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, 2025 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. 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.
4. We have completed our review of events after December 31, 2025 and up to the date of this letter.
5. 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;
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and,
  - d. All minutes of the meetings of directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries.
9. 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.
10. We have no knowledge of any 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.

11. We have no knowledge of any information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the City.
12. There have been no communications with regulatory agencies concerning actual or potential noncompliance with or deficiencies in financial reporting practices. There are also no known or possible instances of non-compliance with the requirements of regulatory or governmental authorities.
13. We have disclosed to you the identities 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.

### Independence matters

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

14. 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.
15. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

### Other matters

Except where otherwise stated below, immaterial matters less than \$2,000,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the Financial Statements.

16. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
17. The City has identified all related parties in accordance with Section PS 2200, *Related Party Disclosures* ("PS 2200"). Management has determined that such disclosure is not necessary because the transactions have not occurred at a value different from that which would have been arrived at if the parties were unrelated and do not or could not have a material effect on the financial statements. This assessment is based on all relevant factors, including those listed in paragraph 16 of PS 2200.
18. There are no instances of identified or suspected noncompliance with laws and regulations.
19. 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.
20. 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.

21. 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.
22. 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.
23. 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.

### Going concern

24. Management has completed its assessment of the ability of the City to continue as a going concern and in making its assessment did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the City's ability to continue as a going concern, which would require disclosure in the Financial Statements. In assessing whether the going concern assumption is appropriate, management took into account all available information about the future, which is at least, but is not limited to, twelve months from the statement of financial position date, their plans for future action and the feasibility of these plans.

### Government Business Enterprises

25. The City has appropriately classified its investments in Burlington Enterprises Corporation as a Government Business Enterprise.
26. With regard to the City's investment in Burlington Enterprises Corporation, we have disclosed to you any events that have occurred and facts that have been discovered with respect to such investment that would affect the investment's value as reported in the Financial Statements.

### Government transfers

27. We have disclosed to you all correspondence relating to government transfers that the City has had with the funding body.
28. We have assessed the eligibility criteria and determined that the City is an eligible recipient for the government transfers received.
29. We have assessed the stipulations attached with the funding and have recognized the revenue in accordance with meeting the stipulations required.
30. All government transfers that have been recorded as deferred revenue give rise to an obligation that meets the definition of a liability. Those liabilities have been properly recorded and presented in the Financial Statements.
31. All authorized transfers that have been expensed have been transferred to recipients whom have met the eligibility criteria.

### Assets

32. The City has recognized all assets, which do not fall within the scope of other standards, only when the requirements in CPA Canada Public Sector Accounting Handbook Section PS 3210, *Assets* ("Section PS 3210") have been met. For those assets which do not meet the recognition criteria in Section PS 3210, the City has appropriately disclosed details of such unrecognized assets in accordance with Section PS 3210.

### Contingent assets

33. The City has identified all contingent assets in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3320, *Contingent Assets* and, when the occurrence of the confirming future event is considered likely, appropriately disclosed these items in the financial statements.

### Contractual rights

34. The City has identified and disclosed all contractual rights that will result in both an asset and revenue in the future, once the terms of the contract or agreement are met, in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3380, *Contractual Rights*.

### Inter-entity transactions

35. The City has recognized all transactions involving the transfer of assets or liabilities between public sector entities in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3420, *Inter-entity transactions* ("PS 3420").

36. The City has recorded all inter-entity transactions properly at exchange or carrying amount in accordance with the criteria in Section PS 3420.14-.22.

37. The City has disclosed all inter-entity transactions in the notes to the Financial Statements whether or not such transactions are recognized in the financial statements, in accordance with CPA Canada Public Sector Accounting Handbook Section PS 2200, *Related Party Disclosures*.

### Restructuring transactions

38. The City has identified all restructuring transactions, as defined in CPA Canada Public Sector Accounting Handbook Section PS 2430, *Restructuring Transactions*.

### Liabilities for contaminated sites

39. We have evaluated all of our tangible capital assets that we have direct responsibility for or accept responsibility for, and have not identified any sites in which contamination exceeds an environmental standard.

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

40. 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

41. 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

42. 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

43. 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
44. 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.
45. 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.
46. 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

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

### Asset retirement obligations

48. We have identified and disclosed to you all liabilities that the City has a legal obligation to incur retirement costs in relation to a tangible capital asset.
49. With respect to the City's tangible capital assets, we have recognized and recorded the best estimate of the amount required to retire a tangible capital asset (or component thereof) at the financial statement date based on the information available at that date.
50. We have reviewed our estimate of the carrying amount of a liability for an asset retirement obligation at the Financial Statement date and have reflected any changes in these estimates to the timing and amount of the original estimate of undiscounted cash flows or the discount rate, as part of the cost of the related tangible capital asset or due to the passage of time as an accretion expense.
51. We have disclosed any uncertainties affecting the measurement of a liability for an asset retirement obligation in accordance with Section PS 2130, *Measurement Uncertainty*.

## Revenue

52. We have appropriately identified all transactions with performance obligations and transactions without performance obligations in accordance with Section 3400, *Revenue*.

Yours truly,

**The Corporation of the City of Burlington**

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Mr. Curt Benson  
City Manager

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Mr. Craig Millar  
Chief Financial Officer

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Ms. Michelle Moore  
Controller & Manager of Financial Services



## Appendix 4 – Deloitte resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information.

Register here to receive practical insights, invitations to Deloitte events/webcasts, and newsletters via email and other electronic channels. You will be able to select business topics and industries that align with your interests.

<p>Canada's Best Managed Companies (<a href="http://www.bestmanagedcompanies.ca">www.bestmanagedcompanies.ca</a>)</p> <p>Target audience Directors and CEO/CFO</p>	<p>The Canada's Best Managed Companies designation symbolizes Canadian corporate success: companies focused on their core vision, creating stakeholder value and excelling in the global economy.</p>
<p>Centre for financial reporting (<a href="https://www.iasplus.com/en-ca/standards/">https://www.iasplus.com/en-ca/standards/</a>)</p> <p>Target audience</p> <ul style="list-style-type: none"> <li>• Directors and CEO/CFO</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.</p>
<p>Deloitte Viewpoints (<a href="https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints/">https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints/</a>)</p> <p>Target audience</p> <ul style="list-style-type: none"> <li>• CFO</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.</p>
<p>CFO's corner (<a href="https://www.iasplus.com/en-ca/cfos-corner/">https://www.iasplus.com/en-ca/cfos-corner/</a>)</p> <p>Target audience</p> <ul style="list-style-type: none"> <li>• CFO and VP Finance</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Editorial providing insights into key trends, developments, issues and challenges executives face, with a Deloitte point of view.</p>
<p>Deloitte Dbriefs (<a href="https://www.iasplus.com/en-ca/dbriefs/webcasts/">https://www.iasplus.com/en-ca/dbriefs/webcasts/</a>)</p> <p>Targeted audience</p> <ul style="list-style-type: none"> <li>• CFO and VP Finance</li> <li>• Controller and Financial reporting team</li> </ul>	<p>Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.</p>



# New PSAB Reporting Model & Conceptual Framework

✓ Effective date April 1, 2026

✓ Retroactive application to comparative figures required

## Why Start now?

- Need to restate prior year figures
- New standards may impact budget preparation
- Time may be needed to accurately classify financial/non-financial liabilities
- Update of trend tables in FS Disclosure & Analysis

## Practical implications

- Update of financial reporting processes
- Reconfigure chart of account & accounting system
- Assess legal and legislative implications, and/or covenants
- Consider impact on budget process
- Engage auditors early to avoid surprises
- Education of & communication to key stakeholders

## Other key changes

- **Conceptual Framework** introduces refined definitions and structural clarifications.
- **New definitions of assets and liabilities** – must now provide present rights and obligations to economic resources.
- Distinction between **financial liabilities** and **non-financial liabilities**.
- Introduction of **“accumulated other”** as a third component of net assets/liabilities to capture residual balances.
- **New budget presentation requirements** dealing with amended budgets, lack of a budget, or misalignment with actual figures.
- Changes to **other PSAS standards** (e.g., PS 1300 *Government Reporting Entity*, PS 3450 *Financial Instruments*).

## How can we help?

- 1 Training** of key finance and non-finance stakeholders on anticipated changes to the financial reporting function.
- 2 Diagnostic assessment** to identify gaps against the new conceptual framework and reporting model requirements.
- 3 Implementation roadmap** outlining key actions to achieve desired reporting state – factoring timing of accounting system and reporting process changes.
- 4 Implementation activities:**
  - Accounting analysis and documentation using our accelerators
  - Create new pro forma financial statements adapted to your needs
  - Reconfigure Chart of Accounts aligned with new financial statement categories
  - Update reporting processes & systems
  - Assist with stakeholder communication



## Change in New PSAB Financial Statements

### Updated

- Statement of financial position
- Statement of operations & accumulated surplus/deficit
- Statement of cash flows

### New

- Statement of net financial assets/liabilities
- Statement of changes in net assets/liabilities

### Removed

- Statement of changes in net debt/net financial assets
- Statement of remeasurement gains/losses

Contact us at:

Sarah Ban, CPA, Partner [sban@deloitte.ca](mailto:sban@deloitte.ca)

Matt Colley, FCPA, Partner [mcolley@deloitte.ca](mailto:mcolley@deloitte.ca)

Stephane Bussiere, CPA [sbussiere@deloitte.ca](mailto:sbussiere@deloitte.ca)



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Our global Purpose is making an impact that matters. At Deloitte Canada, that translates into building a better future by accelerating and expanding access to knowledge. We believe we can achieve this Purpose by living our shared values to lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact.

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