



**STAFF REPORT  
ACTION REQUIRED**

**11.**

**Audited 2007 Financial Statements - Toronto Public Library Board**

<b>Date:</b>	April 21, 2008
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

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This report requests Toronto Public Library Board approval of the Audited 2007 Financial Statements of the Toronto Public Library Board.

**RECOMMENDATIONS**

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**The City Librarian recommends that the Toronto Public Library Board:**

1. Approves the Audited 2007 Financial Statements of the Toronto Public Library Board.

**FINANCIAL IMPACT**

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The annual agreed Ernst & Young audit fee is \$25,000, inclusive of expenses and Goods & Services Tax, which is included in the operating budget.

The Director, Finance & Treasurer has reviewed this financial impact statement and is in agreement with it.

**DECISION HISTORY**

The external audit contract with Ernst & Young is for five years ending with the audit of the December 31, 2007 financial statements. At the Toronto Public Library Board meeting of December 10, 2007, Ernst & Young's report on Audit Planning – Year Ended December 31, 2007 was received for information.

**ISSUE BACKGROUND**

Ernst & Young started their audit work at Toronto Public Library Board in October 2007, and work was completed in March 2008.

## **COMMENTS**

The audited financial statements for the year ended December 31, 2007 are appended as Attachment 1.

The financial statements were prepared in accordance with the accounting recommendations and disclosure requirements as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Refer to note 2 of the Financial Statements (page 8 of Attachment 1) for further details.

These statements reflect the assets, liabilities, revenues, expenditures, sources of financing and transfers of the operating fund and capital fund of the Library.

PSAB legislation requires the original budgets as approved by Council be reflected in the financial statements. The original capital and operating budgets as approved by Council do not include financing sources such as debt, even though the City allocates debt and interest charges to the Library on the audited financial statements.

Note 10 to the Financial Statements (page 16) indicate that the Library's current operating surplus of \$642,651 at year-end, was returned to the City and it reduced the municipal grant. The operating surplus resulted from cost containment measures approved by the Board at its meeting on July 25, 2007, in response to a request from the City.

The City administers certain funds that are held for Library purposes, including development charge reserves.

The auditors provided an unqualified opinion in the Auditors' Report contained in Financial Statements – Toronto Public Library Board – December 31, 2007. An unqualified opinion means that the financial statements are presented fairly, in all material respects.

Representatives from Ernst & Young will be in attendance at the April 21, 2008 Board Meeting to respond to questions.

## **CONTACT**

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## **SIGNATURE**

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Josephine Bryant  
City Librarian

## **ATTACHMENTS**

Attachment 1: Financial Statements – Toronto Public Library Board – December 31, 2007