

To: Toronto Public Library Board – May 9, 2005

From: City Librarian

Subject: **Audit Results – Year Ended December 31, 2004 – Trust Funds of the Toronto Public Library Board**

Purpose:

The attached report from Ernst & Young, the external auditors, summarizes the scope of the audit, the audit team, issues of audit significance discussed with management, and provides the communications required by Ernst & Young's professional standards.

Funding Implications and Impact Statement:

Not applicable.

Recommendation:

It is recommended that the Toronto Public Library Board receive the report on Ernst & Young's *Audit Results – Year Ended December 31, 2004 – Trust Funds of the Toronto Public Library Board* for information.

Background:

As part of the annual audit, the external auditors provide an Audit Results report for the Trust Funds of the Toronto Public Library Board.

Comments:

Attached is Ernst & Young's Audit Results for the Trust Funds, which include the Terms of Engagement, Audit Approach, New Developments in Accounting or Auditing Standards, Other Required Communications, Items of Audit Significance Discussed with Management, Engagement Letter, Independence Letter, and a Letter of Recommendations.

Contained within the Items of Audit Significance Discussed with Management (page 10 of Attachment 1) is a discussion of the transfer of administrative responsibility for the Trust Funds to the Toronto Public Library Board. In 2004, a review of the trust balances revealed that three (3) balances were not trusts, but more in the nature of deferred revenue for the Toronto Public Library Board. Accordingly, the balances of these funds were transferred to the Library in the amount of \$219,440.

As noted in the Letter of Recommendations on pages 23-24 of Attachment 1, the auditors have identified one internal control matter which has been resolved.

A representative from Ernst and Young will be in attendance at the May 9, 2005 Board meeting to respond to questions.

Conclusion:

The auditors provided an unqualified opinion in the Auditor's Report contained in Financial Statements – Trust Funds of the Toronto Public Library Board - December 31, 2004. An unqualified opinion means that the financial statements are presented fairly, in all material respects.

Contact:

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;  
E-mail: [lhughsam@torontopubliclibrary.ca](mailto:lhughsam@torontopubliclibrary.ca)

---

Josephine Bryant  
City Librarian

List of Attachments:

Attachment 1: Trust Funds of the Toronto Public Library Board - Audit Results – Year Ended December 31, 2004