



To: Toronto Public Library Board – April 8, 2002

From: City Librarian

Subject: **Audited 2001 Financial Statements of the Toronto Public Library Board**

Purpose:

To obtain Toronto Public Library Board approval of the Audited 2001 Financial Statements of the Toronto Public Library Board.

Funding Implications and Impact Statement:

Not applicable.

Recommendation:

It is recommended that the Toronto Public Library Board approve the Audited 2001 Financial Statements of the Toronto Public Library Board.

Background:

Approval of the Library's annual financial statements is required by the Board.

Comments:

The financial statements were prepared in accordance with the accounting recommendations and disclosure requirements, as prescribed by the Public Sector Accounting Board [the "PSAB"] of The Canadian Institute of Chartered Accountants. Please see Notes 2 of the Financial Statements for further details.

These statements reflect the assets, liabilities, sources of financing and expenditures of the operating fund, reserve funds, and the capital fund of the Library. Financial Statements for the Trust Funds, administered by the Library Board, are submitted separately.

The municipal grant and expense associated with debt charges have been added to both budget and actual. Debt charges are not included in the Library's approved operating budget, but our liability for them must be shown in the Audited Financial Statements.

Note 12 to the Financial Statements indicate that the Library realized an operating surplus of \$4,953 at year-end. The municipal grant, as approved through the budgetary process, is reduced by the surplus to show funding matching the expenditures.

Funds being held by the City on behalf of the Library include reserves, as detailed in the Statement of Reserve Fund Operations. Additionally, the City administers funds that are held for Library purposes, including development charges and the pay equity liability.

Also enclosed is a copy of the Letter of Engagement of March 25, 2002 received from Ernst & Young. Representatives from the auditing firm will be in attendance at the April 8 Board Meeting to respond to questions.

Contact:

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City Librarian

List of Attachments:

- Attachment 1: Letter of Engagement from Ernst & Young dated March 25, 2002
- Attachment 2: Toronto Public Library Board – 2001 Audited Financial Statements