



13.

To: Toronto Public Library Board – May 9, 2005

From: City Librarian

Subject: **Audited 2004 Financial Statements – Toronto Public Library Board**

Purpose:

To obtain Toronto Public Library Board approval of the Audited 2004 Financial Statements of the Toronto Public Library Board.

Funding Implications and Impact Statement:

The audit fee payable to Ernst & Young, the external auditors, is \$23,365, plus taxes, and is covered in the operating budget.

Recommendation:

It is recommended that the Toronto Public Library Board approve the *Audited 2004 Financial Statements of the Toronto Public Library Board*.

Background:

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

Comments:

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, capital fund, and reserve funds of the Library. Financial Statements for the Trust Funds, administered by the Library Board, are submitted separately.

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.

Note 10 to the Financial Statements (page 16) indicates that the Library realized an operating surplus of \$1,169,260 at year-end, which was returned to the City and reduced the municipal grant.

Note 11 to the Financial Statements (page 16) indicates that the Library recorded a cost of \$7,992,000, the retroactive portion of the wage harmonization, award funded by a receivable from the City.

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

A representative from Ernst & 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 – 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

Josephine Bryant
City Librarian

List of Attachments:

Attachment 1: Financial Statements – Toronto Public Library Board – December 31, 2004