



STAFF REPORT ACTION REQUIRED

13.

Audited 2006 Financial Statements – Toronto Public Library Board

Date:	April 16, 2007
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

This report requests Toronto Public Library Board approval of the Audited 2006 Financial Statements of the Toronto Public Library Board.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. Approve the Audited 2006 Financial Statements of the Toronto Public Library Board.

FINANCIAL IMPACT

The annual agreed Ernst & Young audit fee is \$25,000, inclusive of expenses and Goods & Services Tax, which is included in the operating budget. This year, there is an additional charge of \$8,000, which represents the cost of additional audit work related to testing a new time and attendance system, the cost of which will be accommodated within the 2007 operating budget.

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 January 29, 2007, Ernst & Young's report on Audit Planning – Year Ended December 31, 2006 was received for information.

ISSUE BACKGROUND

Ernst & Young started their audit work at Toronto Public Library Board in October 2006 and work was completed in March 2007.

COMMENTS

The audited financial statements for the year ended December 31, 2006 are shown on 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, capital fund, and reserve funds 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 \$11,072 at year-end, was returned to the City and reduced the municipal grant.

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

The auditors provided an unqualified opinion in the Auditor's report contained in Financial Statements –Toronto Public Library Board – December 31, 2006. An unqualified opinion means that the financial statements are presented fairly, in all material respects.

A representative from Ernst & Young will be in attendance at the April 16, 2007 Board Meeting to respond to questions.

CONTACT

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SIGNATURE

Josephine Bryant
City Librarian

ATTACHMENTS

Attachment 1: Financial Statements – Toronto Public Library Board – December 31, 2006