

To: Toronto Public Library Board – May 9, 2005

From: City Librarian

Subject: **Audited 2004 Financial Statements – Trust Funds of the Toronto Public Library Board**

Purpose:

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

Funding Implications and Impact Statement:

The audit fee payable to Ernst & Young, the external auditors, is \$5,600, 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 Trust Funds of the Toronto Public Library Board*.

Background:

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

Comments:

The financial statements of the Trust Funds were prepared in accordance with generally accepted Canadian accounting principles. Included in the document is the Statement of Financial Position showing assets of \$2,004,387 partially offset by accounts payable and accrued liabilities of \$282,906. The net value of the Trust Funds at December 31, 2004, as shown on the Statement of Financial Position and the Statement of Operations and Changes in Fund Balance, is \$1,721,481. The Schedule of Continuity of Trust Funds provides a list of the eighteen (18) funds and the activity in the funds for 2004. Some Trust Funds have restrictions on spending placed either by the donor or the former Library Board.

All of the Trust Funds originated in the former Toronto Public Library. They are primarily the result of donations from individuals, estates and friends. In many instances, only the interest earned on the funds is available for expenditure.

During 2004, the funds received income from additional donations and interest. Expenditures continue to be made in accordance with existing policy and directives.

During the year, an extensive review was performed on the nature of the various trust balances. As a result of the review, it was determined that three of the balances were not trusts and were more in the nature of deferred revenues for Library projects/programs: Friends of Osborne & L.H. Smith, Osborne Cataloguing Project and TPL Centennial Grant. Accordingly, the balances of these funds of \$219,440 have been transferred to the Toronto Public Library Board, and are included within liabilities on the Statement of Financial Position for December 31, 2004.

At its meeting on February 14, 2005, the Library Board approved the transfer of administrative responsibility for Trust Funds to the Toronto Public Library Foundation.

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 – 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.

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Josephine Bryant
City Librarian

List of Attachments:

Attachment 1: Financial Statements – Trust Funds of the Toronto Public Library Board –
December 31, 2004