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To: Toronto Public Library Board – May 12, 2003

From: City Librarian

Subject: **Audited 2002 Financial Statements of the Toronto Public Library Board**

Purpose:

To obtain Toronto Public Library Board approval of the Audited 2002 Financial Statements of the Toronto Public Library Board.

Funding Implications and Impact Statement:

The audit fee payable to Ernst & Young is \$23,600, plus taxes.

Recommendation:

It is recommended that the Toronto Public Library Board approve the Audited 2002 Financial Statements of the Toronto Public Library Board.

Background:

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

Comments:

The financial statements were prepared in accordance with the accounting recommendations and disclosure requirements as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Please see note 2 of the Financial Statements 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.

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

Note 10 to the Financial Statements indicates that the Library realized an operating surplus of \$6,032 at year-end, which reduced the approved municipal grant.

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.

A representative from Ernst & Young will be in attendance at the April 7, 2003 Board Meeting to respond to questions.

Contact:

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City Librarian

Attachment 1: Financial Statements – Toronto Public Library Board – December 31, 2002