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To: Toronto Public Library Board – April 19, 2004
From: City Librarian
Subject: **Audited 2003 Financial Statements – Trust Funds of the Toronto Public Library Board**

Purpose:

To obtain Toronto Public Library Board approval of the Audited 2003 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 2003 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 Balance Sheet showing assets of \$2,096,843 partially offset by accounts payable and accrued liabilities of \$126,916. The net value of the Trust Funds at December 31, 2003, as shown on the Balance Sheet and the Statement of Operations and Changes in Fund Balance, is \$1,969,927. The Schedule of Continuity of Trust Funds provides a list of the nineteen (19) funds and the activity in the funds for 2003. 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 2003, the funds received income from additional donations and interest. Expenditures continue to be made in accordance with existing policy and directives.

The transfer of Trust Funds from the Toronto Public Library Board to the Toronto Public Library Foundation for more effective and efficient administration was delayed in 2003 due in part to a staff absence. This situation was resolved in December 2003, and the expectation is that Library staff will review the transfer with legal counsel in 2004.

It is intended that a subsequent report will be prepared for approval of the Library Board to transfer the Trust Funds to the Toronto Public Library Foundation.

A representative from Ernst & Young will be in attendance at the April 19, 2004 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, 2003. 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, 2003