

Financial Statements

**Trust Funds of the Toronto
Public Library Board**

December 31, 2000



AUDITORS' REPORT

To the Members of the
Trust Funds of the Toronto Public Library Board

We have audited the statement of financial position of the **Trust Funds of the Toronto Public Library Board** as at December 31, 2000 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Library Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2000 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Toronto, Canada,
March 8, 2001.

Ernst & Young LLP
Chartered Accountants

 ERNST & YOUNG

Trust Funds of the Toronto Public Library Board

STATEMENT OF FINANCIAL POSITION

As at December 31

	2000	1999
	\$	\$
ASSETS		
Current		
Cash and short-term investments	2,217,057	1,742,257
Accounts receivable	12,053	2,704
Total current assets	2,229,110	1,744,961
Other investment <i>[note 3]</i>	48,000	48,000
	2,277,110	1,792,961
LIABILITIES AND FUND BALANCES		
Current		
Accounts payable and accrued liabilities	404,326	50,219
Fund balances <i>[schedule]</i>		
General Fund	69,077	52,917
Restricted Fund <i>[note 4]</i>	662,112	548,719
Endowment Fund <i>[note 5]</i>	1,141,595	1,141,106
Total fund balances	1,872,784	1,742,742
	2,277,110	1,792,961

See accompanying notes

On behalf of the Board:

Board Chair

City Librarian



Trust Funds of the Toronto Public Library Board

STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCES

Year ended December 31

	2000				1999			
	General Fund \$	Restricted Fund \$	Endowment Fund \$	Total \$	General Fund \$	Restricted Fund \$	Endowment Fund \$	Total \$
REVENUE								
Interest	21,170	77,869	—	99,039	2,906	74,979	—	77,885
Membership and other fees	1,695	8,810	—	10,505	—	11,852	—	11,852
Sale of publications	13,426	23,872	—	37,298	—	16,553	—	16,553
Donations, grants and legacies	50,733	44,795	—	95,528	503	3,794	3,838	8,135
Other	3,747	555	—	4,302	151,800	6,490	—	158,290
	90,771	155,901	—	246,672	155,209	113,668	3,838	272,715
EXPENSES								
Purchase of books and materials	4,275	66,279	—	70,554	—	65,124	—	65,124
Employee wages and benefits	—	7,648	—	7,648	—	—	—	—
Office	2,466	6,797	—	9,263	—	15,228	—	15,228
Meeting and conferences	68	1,161	—	1,229	—	133	—	133
Other	9,272	18,664	—	27,936	1,304	45,983	—	47,287
	16,081	100,549	—	116,630	1,304	126,468	—	127,772
Excess (deficiency) of revenue over expenses for the year	74,690	55,352	—	130,042	153,905	(12,800)	3,838	144,943
Fund balances, beginning of year	52,917	548,719	1,141,106	1,742,742	50,678	416,263	1,130,858	1,597,799
Transfers between funds [note 6]	(58,530)	58,041	489	—	(151,666)	145,256	6,410	—
Fund balances, end of year	69,077	662,112	1,141,595	1,872,784	52,917	548,719	1,141,106	1,742,742

See accompanying notes



Trust Funds of the Toronto Public Library Board

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

1. DESCRIPTION OF THE ORGANIZATION

The Trust Funds of the Toronto Public Library Board [the "Trust Funds"] represent funds received by the Toronto Public Library Board [the "Library Board"] that was restricted by the donor or by the Library Board for various purposes.

These financial statements reflect the assets, liabilities, revenue and expenses of the Trust Funds. The Trust Funds are administered by the Library Board and are not included in the Toronto Public Library's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized below:

Basis of presentation

The Trust Funds follow the restricted fund method of accounting for contributions.

Fund accounting

The General Fund reports unrestricted resources available for immediate purposes.

The Endowment Fund reports resources where either external or internal restrictions require that the principal must be maintained permanently. Most restrictions are due to the specific nature of bequests and donations. Investment income earned on the Endowment Fund is reported in the General or Restricted Funds, depending on the nature of any restrictions imposed on the income. The investment income generated from assets held for endowment purposes must be used in accordance with the various purposes established by the donors or the Library Board's policy.

The Restricted Fund reports resources that are to be used for specific purposes as specified by the donor or the Board of Trustees. Most restrictions are due to the specific nature of bequests and donations. Many of these restrictions were imposed by the donor and relate to the type or the location of the expenditure.



Trust Funds of the Toronto Public Library Board

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

Investments

Investments are recorded at the lower of cost and market value. Income from investments is determined on an accrual basis and allocated pro rata each year to those funds participating, based on an average asset basis. The full amount of realized gains or losses on investments is included in revenue and is allocated to fund balances on an average asset basis.

Revenue recognition

Unrestricted contributions are recognized as revenue of the General Fund in the year received. Donor restricted contributions for specific purposes are recognized as revenue of the Restricted Fund unless the capital is to be maintained permanently, in which case, the contributions are recognized as revenue of the Endowment Fund.

Contributed goods and services

The value of contributed goods and services is not recognized in these financial statements.

3. OTHER INVESTMENT

As at December 31, 2000, other investment consists of one bond having a total cost of \$48,000, market value \$55,969 [1999 - \$48,000, market value \$57,448]. The bond will mature in 2010 and pay interest semi-annually at 13.25%. The investment has been maintained in accordance with the terms of each specific trust.



Trust Funds of the Toronto Public Library Board

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

4. RESTRICTED FUND

The Restricted Fund consists of funds held for the following purposes:

	2000	1999
	\$	\$
Externally restricted		
Promote and expand the Osborne & L.H. Smith Collection	412,370	201,175
Expand collection of library	64,848	64,847
Study and research	14,949	13,277
Community Learning and Information Program	7,441	7,085
	<u>499,608</u>	<u>286,384</u>
Internally restricted	<u>162,504</u>	<u>262,335</u>
Total Restricted Fund	<u>662,112</u>	<u>548,719</u>

5. ENDOWMENT FUND

The Endowment Fund consists of the following:

	2000	1999
	\$	\$
Externally restricted with income available for the following purposes		
Promote and expand the Osborne & L.H. Smith Collection	449,881	449,392
Expand collection of library	154,797	154,797
	<u>604,678</u>	<u>604,189</u>
Internally endowed restricted funds with income to be used for the following purposes		
Expand collection of library	516,917	516,917
Study and research	20,000	20,000
	<u>536,917</u>	<u>536,917</u>
Total Endowment Fund	<u>1,141,595</u>	<u>1,141,106</u>



Trust Funds of the Toronto Public Library Board

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

6. FUND TRANSFERS

Transfers between funds primarily represent unrestricted amounts recorded as revenue in the General Fund that are being transferred to the individual Trust funds that are internally restricted.

7. RELATED PARTY TRANSACTIONS

Administrative staff of the Library Board provides administrative services for the Trust Funds. The Library Board does not charge for these services.

8. STATEMENT OF CASH FLOWS

A separate statement of cash flows has not been prepared since, in the opinion of management, it would not provide any additional useful information.



SCHEDULE OF CONTINUITY OF TRUST FUNDS

Year ended December 31

	Fund balance	Revenue	Expenses	Fund balance	Fund balance	Endowed		Restricted		General
	1999			transfer	2000	Externally	Internally	Externally	Internally	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Osborne & Smith Collections										
Osborne Royalties	222,964	64,748	9,219	(158,360)	120,133	—	—	—	120,133	—
Friends of Osborne & L.H. Smith	49,738	36,088	24,818	10,762	71,770	—	—	71,770	—	—
Helen E. Stubbs bequest	449,393	22,593	22,105	—	449,881	449,881	—	—	—	—
Osborne & L.H. Smith	151,437	32,350	7,561	(10,762)	165,464	—	—	165,464	—	—
Osborne Cataloguing Project	—	24,424	7,648	158,360	175,136	—	—	175,136	—	—
	873,532	180,203	71,351	—	982,384	449,881	—	412,370	120,133	—
Senator J.M. Lewis	7,235	731	731	—	7,235	7,235	—	—	—	—
Dr. C.R. Sanderson	32,825	2,495	2,495	—	32,825	—	3,369	—	29,456	—
M.G. Bagshaw	20,415	3,000	—	—	23,415	—	10,500	—	12,915	—
Charles G. Sanderson	67,212	4,201	4,201	—	67,212	67,212	—	—	—	—
Norman Blaine Gash	17,318	1,780	1,780	—	17,318	5,000	—	12,318	—	—
Norman J. McLean	16,081	808	808	—	16,081	—	—	—	—	16,081
General	21,010	2,868	—	—	23,878	—	—	—	—	23,878
TPL Centennial Grant	33,277	1,672	—	—	34,949	—	20,000	14,949	—	—
D.J. Hayes	20,513	1,031	1,030	—	20,514	—	—	20,514	—	—
Stanley Tobin	27,157	1,365	1,365	—	27,157	—	—	27,157	—	—
Microsoft donation	7,085	356	—	—	7,441	—	—	7,441	—	—
M.A. Isaac	80,208	4,031	4,030	—	80,209	75,350	—	4,859	—	—
Friends of TPL	15,826	16,852	3,560	—	29,118	—	—	—	—	29,118
Catherine Fine	503,048	25,279	25,279	—	503,048	—	503,048	—	—	—
	869,210	66,469	45,279	—	890,400	154,797	536,917	87,238	42,371	69,077
	1,742,742	246,672	116,630	—	1,872,784	604,678	536,917	499,608	162,504	69,077