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To: Toronto Public Library Board – April 19, 2004

From: City Librarian

Subject: **Audited 2003 Financial Statements – Toronto Public Library Board**

Purpose:

To obtain Toronto Public Library Board approval of the Audited 2003 Financial Statements of the Toronto Public Library Board.

Funding Implications and Impact Statement:

The audit fee payable to Ernst & Young, the external auditor, is $23,365, 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 Toronto Public Library Board*.

Background:

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

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. Refer to 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 $6,826 at year-end, which reduced the approved municipal funding grant.

Funds being held by the City on behalf of the Library include reserves, as detailed in the Schedule of Reserve Funds. 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 19, 2004 Board Meeting to respond to questions.

Conclusion:

The auditors provided an unqualified opinion in the Auditor's report contained in Financial Statements –Toronto Public Library Board – December 31, 2003. An unqualified opinion means that the financial statements are presented fairly, in all material respects.

Contact:

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Josephine Bryant
City Librarian

List of Attachments:

Attachment 1: Financial Statements – Toronto Public Library Board – December 31, 2003