

Financial Statements

Toronto Public Library Board
December 31, 2009

AUDITORS' REPORT

To the Members of the
Toronto Public Library Board

We have audited the statement of financial position of the **Toronto Public Library Board** as at December 31, 2009 and the statements of operations, change in net financial liabilities and cash flows for the year then ended. These financial statements are the responsibility of the 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 Board as at December 31, 2009 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada,
April 23, 2010.

Ernst + Young LLP

Chartered Accountants
Licensed Public Accountants

Toronto Public Library Board
 Incorporated under the laws of Ontario

STATEMENT OF FINANCIAL POSITION

As at December 31

	2009 \$	2008 \$ <i>[restated - note 2]</i>
Financial assets		
Cash	5,525,345	6,297,996
Short-term investments	15,897,099	18,189,111
Accounts receivable	2,392,279	2,505,761
Total financial assets	23,814,723	26,992,868
Financial liabilities		
Accounts payable		
City of Toronto <i>[note 3]</i>	2,976,007	2,125,609
Other accounts payable and accrued liabilities <i>[note 12]</i>	19,691,820	22,277,718
Deferred revenue	769,687	602,266
Capital lease obligation <i>[note 4]</i>	170,838	-
Employee benefits <i>[note 5]</i>	67,216,281	60,603,476
Interest payable on long-term liabilities	525,105	459,286
Long-term payable with City of Toronto <i>[note 6]</i>	533,338	600,004
Long-term payable with Canada Life		
Assurance Company <i>[note 6]</i>	1,300,609	1,399,476
Long-term debt with City of Toronto <i>[note 7]</i>	42,509,789	28,374,395
Total financial liabilities	135,693,474	116,442,230
Net financial liabilities	(111,878,751)	(89,449,362)
Commitments <i>[note 8]</i>		
Non-financial assets		
Tangible capital assets <i>[notes 2 and 9]</i>	205,348,815	191,857,273
Total non-financial assets	205,348,815	191,857,273
Accumulated surplus <i>[note 10]</i>	93,470,064	102,407,911
<i>See accompanying notes</i>		

On behalf of the Board:



Toronto Public Library Board Chair



City Librarian

Toronto Public Library Board

STATEMENT OF OPERATIONS

Year ended December 31

	2009 Budget	2009 Actual	2008 Actual
	\$	\$	\$
	<i>[unaudited - note 13]</i>		<i>[restated - note 2]</i>
REVENUES			
City of Toronto <i>[note 7]</i>	182,962,503	169,051,515	191,650,702
Province of Ontario	5,649,934	5,959,064	5,681,880
Federal government	44,200	710,395	293,604
User charges <i>[note 11]</i>	4,089,490	4,005,441	3,832,105
Investment income <i>[note 7]</i>	238,500	717,836	1,261,929
Donations and other grants <i>[note 12]</i>	425,160	1,510,843	1,840,748
Other income	1,283,809	1,954,413	1,789,072
	194,693,596	183,909,507	206,350,040
EXPENSES			
Staff costs <i>[note 5]</i>	131,196,814	138,705,509	138,453,427
Purchase of services	22,257,363	22,066,783	19,731,440
Library materials <i>[note 9]</i>	-	147,328	31,240
Building maintenance	112,310	607,970	547,418
Materials and supplies	2,386,416	2,545,383	2,548,592
Interest on long-term debt	-	2,170,308	1,997,517
Transfers to City of Toronto and other <i>[note 3]</i>	714,810	539,632	839,995
Amortization	-	26,064,441	24,549,105
	156,667,713	192,847,354	188,698,734
Annual (deficit) surplus	38,025,883	(8,937,847)	17,651,306
Accumulated surplus - beginning of year	-	102,407,911	84,756,605
Accumulated surplus - end of year <i>[note 10]</i>	38,025,883	93,470,064	102,407,911

See accompanying notes

Toronto Public Library Board

STATEMENT OF CHANGE IN NET FINANCIAL LIABILITIES

Year ended December 31

	2009 Budget \$	2009 Actual \$	2008 Actual \$
	<i>[unaudited - note 13]</i>		<i>[restated - note 2]</i>
Annual (deficit) surplus, as restated	38,025,883	(8,937,847)	17,651,306
Acquisition of tangible capital assets	(38,025,883)	(39,555,983)	(40,070,632)
Amortization of tangible capital assets	-	26,064,441	24,549,105
Change in net financial liabilities	-	(22,429,389)	2,129,779
Net financial liabilities, beginning of year	-	(89,449,362)	(91,579,141)
Net financial liabilities, end of year	-	(111,878,751)	(89,449,362)

See accompanying notes

Toronto Public Library Board

STATEMENT OF CASH FLOWS

Year ended December 31

	2009 \$	2008 \$
		<i>[restated - note 2]</i>
OPERATING ACTIVITIES		
Annual (deficit) surplus	(8,937,847)	17,651,306
Item not affecting cash		
Amortization	26,064,441	24,549,105
	<u>17,126,594</u>	<u>42,200,411</u>
Changes in non-cash assets and liabilities:		
Decrease in accounts receivable	113,482	282,084
(Decrease) increase in accounts payable and accrued liabilities	(1,735,500)	3,874,752
Increase in employee benefits and other liabilities	6,612,805	4,303,771
Increase (decrease) in interest payable on long-term liabilities	65,819	(162,085)
Increase in deferred revenue	167,421	90,011
Net increase in cash from operating activities	<u>22,350,621</u>	<u>50,588,944</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(39,320,590)	(40,070,632)
Net decrease in cash from capital activities	<u>(39,320,590)</u>	<u>(40,070,632)</u>
INVESTING ACTIVITIES		
Redemption (purchase) of short-term investments, net	2,292,012	(2,627,436)
Net increase (decrease) in cash from investing activities	<u>2,292,012</u>	<u>(2,627,436)</u>
FINANCING ACTIVITIES		
New debt from City of Toronto	19,774,000	-
Principal repayment on long-term debt with City of Toronto	(5,638,606)	(5,288,500)
Principal repayment of capital lease	(64,555)	-
Principal repayment on long-term payable with City of Toronto	(66,666)	(66,666)
Principal repayment on long-term payable with Canada Life Assurance Company	(98,867)	(90,943)
Net increase (decrease) in cash from financing activities	<u>13,905,306</u>	<u>(5,446,109)</u>
Net (decrease) increase in cash during the year	(772,651)	2,444,767
Cash, beginning of year	6,297,996	3,853,229
Cash, end of year	<u>5,525,345</u>	<u>6,297,996</u>
Supplemental cash flow information:		
Assets financed by capital lease	235,395	-
Cash paid for interest on the long-term payables	2,253,060	2,144,081
Cash received for interest on short-term investments	776,740	1,243,781

See accompanying notes

Toronto Public Library Board

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

1. OPERATIONS AND RELATIONSHIP WITH THE CITY OF TORONTO AND THE TORONTO PUBLIC LIBRARY FOUNDATION

The Toronto Public Library Board [the "Board"] is a local board of the City of Toronto [the "City"] deemed to be a public library board established under the Public Libraries Act and is responsible for providing public library service that reflects the community's unique needs. The Public Libraries Act has also designated the Board as a special library service board to provide library resources and services to the Ontario library community.

The Board is not subject to income taxes under Section 149(1) of the Income Tax Act (Canada).

These financial statements reflect the assets, liabilities, sources of financing and expenses of the Board.

The Toronto Public Library Foundation [the "Foundation"] has responsibility for most of the fundraising activities for the Toronto Public Library [the "Library"]. Fundraising efforts of the Foundation are to benefit the Library. The Foundation's net assets, revenues and expenses are not included in these financial statements *[note 12]*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles ["GAAP"] for local governments as recommended by the Public Sector Accounting Board ["PSAB"] of The Canadian Institute of Chartered Accountants ["CICA"]. Significant accounting policies adopted are as follows:

Basis of accounting

Revenues and expenses are presented on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Revenue recognition

Government transfers, which include municipal, provincial and federal grants, are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. The Board follows the deferral method of accounting for donations and other grants. Donations and

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NOTES TO FINANCIAL STATEMENTS

December 31, 2009

other grants are recognized as revenue when received or receivable if the amount to be received can be reasonably measured and collection is reasonably assured. Revenues from user charges and other related services are recognized at point of sale or when services have been provided and collection is reasonably assured.

Measurement uncertainty

The preparation of the financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions. The employee benefits liabilities and related costs charged to the statement of operations depend on certain actuarial and economic assumptions. These estimates and assumptions are based on the Board's best information and judgment and may differ significantly based on actual results.

Short-term investments and investment income

Short-term investments are recorded at cost plus accrued interest and consist of financial instruments, such as treasury bills and bankers' acceptances, which are readily cashable on short notice. The market value of these investments approximates cost.

Investment income earned on available current funds is reported as revenue in the period earned.

Materials and supplies

Materials and supplies purchased for consumption in the Library's activities are reported as an expense on the statement of operations in the year of acquisition.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

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NOTES TO FINANCIAL STATEMENTS

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Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Leasehold improvements	Term of the lease or useful life estimated by management
Furniture, fixtures and equipment	5 to 20 years
Vehicles	8 to 12 years
Library materials	6 years

Assets under construction are not amortized until the date of substantial completion.

Contributed rare books and other collections are expensed in the year received.

Deferred revenue

Deferred revenue includes the balance of funds which have been received from the Foundation for specific operating projects which the Board has not yet expended.

Employee benefit plans

The Board has adopted the following policies with respect to employee benefit plans:

- the Board's contributions to a multi-employer, defined benefit pension plan are expensed when contributions are due;
- the costs of termination benefits and compensated absences are recognized when the event that obligates the Board occurs; costs include projected future income payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis;
- the costs of other employee benefits are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation, expected health care costs and plan investment performance;
- past service costs from plan amendments related to prior period employee services are accounted for in the period of the plan amendment;

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- employee future benefit liabilities are discounted using current interest rates on long-term bonds; and
- net actuarial gains and losses are amortized over the expected average remaining service life of the related employee group which is 13, 12.8 and 16 years.

Change in accounting policies

The Board has implemented the recommendations in Sections PS 1200 and PS 3150 of the CICA Public Sector Accounting Handbook. Section PS 1200 established general reporting principles and standards for the disclosure of information in government financial statements. Section PS 3150 requires governments to record and amortize their tangible capital assets in their financial statements. Tangible capital assets were formerly expensed as acquired.

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The Board applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records. The estimated replacement or reproduction costs were then discounted back to the year of acquisition or construction by applying the consumer price index for construction projects to derive the historical costs of the assets.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

	2008
	\$
Capital fund balance	2,211,990
Amounts to be recovered	(91,661,352)
Accumulated deficit, as previously reported	(89,449,362)
Net book value of tangible capital assets recorded <i>[note 9]</i>	191,857,273
Accumulated surplus, as restated	102,407,911
	2008
	\$
Net revenues, as previously reported	2,129,779
Tangible capital assets previously expensed	40,070,632
Amortization expense not previously recorded	(24,549,105)
Annual surplus, as restated	17,651,306

Tangible capital assets increased by \$191,857,273.

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3. RELATED PARTY TRANSACTIONS

Accounts (payable to) receivable from the City consists of the following:

	2009	2008
	\$	\$
Accrued interest on long-term liabilities	525,105	459,286
Less		
Operating payable	(463,810)	(359,130)
Operating surplus payable [note 10]	(60,908)	(18,320)
Payable for hydro charges	(293,171)	(254,424)
Capital project funding to return	(1,503,000)	—
Unexpended capital advance	(1,180,223)	(1,953,021)
	(2,976,007)	(2,125,609)

Insurance coverage for the Board is done through the City. During the year, the Board contributes to the City's insurance reserve and expenses these contributions as made. Contributions for the year amounted to \$420,030 [2008 - \$463,860] and are included within transfers to City of Toronto and other expenses on the statement of operations.

In addition, the Board contributes to the City's vehicle reserve and expenses these contributions as made. Contributions for the year amounted to \$246,950 [2008 - \$232,950] and are included within transfers to City of Toronto and other expenses on the statement of operations.

The Board also contributes to a capital reserve with the City for a special capital project. The amount held by the City at the end of the year amounted to \$29,857 [2008 - \$29,709]. There were no contributions to this reserve in 2009 or 2008.

The Board occupies buildings that are owned by the City for which rent is not being charged to the Board.

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NOTES TO FINANCIAL STATEMENTS

December 31, 2009

4. CAPITAL LEASE OBLIGATION

The capital lease obligation consists of the following:

	Total minimum annual payments	Amount representing interest at 5.9%	Capital lease obligation
	\$	\$	\$
2010	85,419	12,069	73,350
2011	96,094	5,378	90,716
2012	7,053	281	6,772
	<u>188,566</u>	<u>17,728</u>	<u>170,838</u>

5. EMPLOYEE BENEFITS

The Board sponsors defined benefit plans providing pension and other retirement and post-employment benefits to most of its employees. The plans provide health, dental, life insurance and long-term disability benefits to certain employees.

[a] Information about the Board's employee benefits, other than the multi-employer, defined benefit plan noted below, is as follows:

	2009	2008
	\$	\$
Accrued benefit obligation	66,446,339	71,695,331
Net unamortized actuarial gain (loss)	769,942	(11,091,855)
Total employee benefit liability	67,216,281	60,603,476

Components of the accrued benefit obligation are as follows:

	2009	2008
	\$	\$
Post-retirement benefits	36,248,046	43,275,897
Disabled employees' benefits	4,267,499	2,527,866
Income benefits	5,908,592	5,239,832
Sick leave benefits	19,412,123	20,129,698
Workplace Safety and Insurance ["WSIB"]	610,079	522,038
	<u>66,446,339</u>	<u>71,695,331</u>

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The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and assumes responsibility for financing its workplace safety insurance costs. The obligation of \$610,079 [2008 - \$522,038] represents the estimate of future benefit costs under Schedule 2.

The benefit plans are all unfunded in 2009 and 2008.

[b] The continuity of the accrued benefit obligation is as follows:

	2009 \$	2008 \$
Balance, beginning of year	71,695,331	68,672,736
Current service cost	5,164,730	3,812,647
Interest cost	3,733,754	3,354,136
Benefits paid	(2,895,263)	(4,173,997)
Actuarial (gain) loss	(11,252,213)	29,809
Balance, end of year	66,446,339	71,695,331

[c] The total expenses related to employee benefits other than those related to the multi-employer pension plan are included in staff costs on the statement of operations and include the following components:

	2009 \$	2008 \$
Current period benefit cost	5,164,730	3,812,647
Amortization of net actuarial loss	609,585	1,310,985
Benefit interest expenditure	3,733,754	3,354,136
Total expenditures related to retirement benefits	9,508,069	8,477,768

[d] Cash payments made during the year are as follows:

	2009 \$	2008 \$
Post-retirement plans	1,098,467	968,513
Disabled employees' benefits	662,258	678,944
Sick leave benefits	1,184,338	982,580
	2,945,063	2,630,037

[e] Due to the complexities in valuing the plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial report to which the accrued benefit obligation shown for 2009 is based on was prepared as at December 31, 2009. The accrued benefit obligation

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valuation shown for 2008 is based on an actuarial report and its extrapolation prepared at December 31, 2006.

[f] The significant actuarial assumptions are as follows:

	2009 %	2008 %
Accrued benefit obligation		
Discount rate - post-retirement	5.3	5.0
Discount rate - disabled employees, income benefit	4.4	4.7
Discount rate - sick leave, WSIB	4.4	5.0
Accrued benefit cost		
Discount rate - post-retirement	5.0	5.0
Discount rate - disabled employees, income benefit	4.7	4.7
Discount rate - sick leave, WSIB	5.0	5.0
Health care inflation - hospital dental care and other medical	4.5 – 7.0	4.5 – 7.3
Health care inflation - drugs	7.0 – 9.0	7.3 – 9.5
Rate of compensation increase	3.0	3.0

For measurement purposes, an 8% annual rate of increase in the per capita cost of covered health care was assumed except for a 4% annual rate of increase for dental benefits. The rates are assumed to decrease gradually to 4% by 2020, except for dental rates that are assumed to decrease gradually to 3% by 2015, and remain at those levels thereafter.

[g] In addition to the above noted benefits, the Board makes contributions to the Ontario Municipal Employees' Retirement System plan ["OMERS"], a multi-employer pension plan, on behalf of most of its employees. OMERS is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. Total employer contributions for the year amounted to \$6,492,292 [2008 - \$6,514,278] and are included in staff costs in the statement of operations.

6. LONG-TERM PAYABLES

During 2001, the Board entered into an Energy Service Agreement with the City and Ameresco Canada ["Ameresco"], formerly DukeSolutions Canada Inc. Ameresco completed energy efficiency improvements to Library facilities in 2003 for a total net cost of \$3,218,935.

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NOTES TO FINANCIAL STATEMENTS

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The first \$1,000,000 in improvements was financed by an interest free loan from the Better Building Partnership Program of the City. The Board agreed to repay the City in 30 installments of \$33,333 over a 15-year period. During the year, the Library paid the City amounts totaling \$66,666 [2008 - \$66,666], resulting in an outstanding long-term payable as at December 31, 2009 of \$533,338 [2008 - \$600,004].

The remaining \$2,218,935 is being financed through a tri-party agreement among Ameresco, Canada Life Assurance Company ["Canada Life"] and the Library. Under the terms of the agreement, the Board agrees to pay Canada Life in accordance with the following payment schedule from the Energy Service Agreement, which will be ultimately funded by the energy savings over the matching 15-year period. Details of repayment are as follows:

	\$
2010	107,099
2011	116,017
2012	125,422
2013	136,120
2014	147,454
Thereafter	668,497
	<u>1,300,609</u>

During the year, the Library paid Canada Life amounts totaling \$211,052 [2008 - \$211,052]. The principal portion of this amount was \$98,867 [2008 - \$90,943], resulting in an outstanding long-term payable as at December 31, 2009 of \$1,300,609 [2008 - \$1,399,476].

7. LONG-TERM DEBT WITH CITY OF TORONTO

The long-term debt with the City consists of the following:

	2009	2008
	\$	\$
Debtenture debt		
Principal amount	59,297,596	40,584,292
Accumulated sinking fund	(16,787,807)	(12,209,897)
	<u>42,509,789</u>	<u>28,374,395</u>

The debenture debt has a weighted average interest rate of 2.54% [2008 - 4.69%] and maturity dates ranging from 2010 through 2019.

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Repayments of the long-term debt are due as follows:

	\$
2010	7,342,081
2011	7,059,635
2012	5,347,483
2013	4,982,255
2014	4,408,684
Thereafter	13,369,651
	<hr/> 42,509,789

During the year, interest earned of \$673,399 [2008 - \$502,891] on the accumulated sinking fund held by the City was recorded as investment income.

The debt and interest repayment for 2009 was \$7,135,514 [2008 - \$6,940,734], and is included as revenue from the City of Toronto on the statement of operations. These amounts are not reflected in the budget figures.

During 2009, the City issued debentures of \$19,774,000 [2008 - nil] for the Library's capital funding requirement purposes.

8. LEASE COMMITMENTS

As at December 31, 2009, the Board is committed to the following annual operating lease payments for equipment and facilities:

	\$
2010	1,700,784
2011	1,665,450
2012	1,196,541
2013	802,972
2014	553,842
Thereafter	2,223,335
	<hr/> 8,142,924

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NOTES TO FINANCIAL STATEMENTS

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9. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2009		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	15,376,262	—	15,376,262
Buildings and leasehold improvements	159,655,455	68,779,664	90,875,791
Furniture, fixtures and equipment	39,245,950	18,142,690	21,103,260
Vehicles	2,258,175	1,273,381	984,794
Library materials	104,852,636	51,822,131	53,030,505
Assets under construction	23,978,203	—	23,978,203
	345,366,681	140,017,866	205,348,815

	2008		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	15,376,262	—	15,376,262
Buildings and leasehold improvements	141,837,279	65,498,076	76,339,203
Furniture, fixtures and equipment	35,061,375	15,695,342	19,366,033
Vehicles	2,233,333	1,141,135	1,092,198
Library materials	100,812,554	49,053,102	51,759,452
Assets under construction	27,924,125	—	27,924,125
	323,244,928	131,387,655	191,857,273

Library materials expenses include special collections of \$147,328 [2008 - \$31,240]. Building maintenance include works of art of \$1,200 [2008 - \$20,626].

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NOTES TO FINANCIAL STATEMENTS

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10. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus as follows:

	2009 \$	2008 \$
		<i>[restated - note 2]</i>
Funded		
Invested in tangible capital assets	205,348,815	191,857,273
Other	(147,896)	1,527,989
Unfunded		
Employee benefits	(67,216,281)	(60,603,476)
Long-term payable and capital lease obligation	(2,004,785)	(1,999,480)
Long-term debt with City of Toronto	(42,509,789)	(28,374,395)
	93,470,064	102,407,911

The City funds the net requirements of the current operations of the Board. The current year's operating surplus of \$60,908 [2008 - \$18,320] is included within the accounts payable balance to the City [note 3].

11. REVENUES FROM USER CHARGES

Revenues from user charges consist of the following:

	2009 \$	2008 \$
Fines	2,943,989	2,783,052
Equipment and facility rentals	663,586	633,537
Photocopier receipts	338,532	351,017
Online search	19,813	28,198
Photography	14,259	15,659
Non-resident user fees	10,424	8,831
Interlibrary loan	8,326	7,822
Program registration fees	3,727	3,989
Other charges	2,785	—
	4,005,441	3,832,105

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12. TORONTO PUBLIC LIBRARY FOUNDATION

The Board benefits from the fundraising efforts of the Foundation. During the year, the Board received contributions of \$1,510,843 [2008 - \$1,840,748] from the Foundation. Included in other accounts payable and accrued liabilities is \$47,522 owing to the Foundation [2008 - \$157,822]. The Foundation has net assets of \$21,466,764 [2008 - \$14,431,456] which includes an endowment balance of \$4,297,973 [2008 - \$3,123,948].

13. BUDGET FIGURES [UNAUDITED]

The total approved operating and capital budgets for 2009 are reflected on the statement of operations and on the statement of change in net financial liabilities. Budgets established for capital projects, as shown on the statement of change in net financial liabilities, are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year's actual amounts. The budget for acquisition of tangible capital assets of \$38,025,883 is comprised of the approved capital budget of \$19,447,000 and \$18,578,883 from the approved operating budget.

14. COMPARATIVE FINANCIAL STATEMENTS

The 2008 financial statements have been restated to conform to the classification in the current year.