



REPORT TO THE LIBRARY BOARD

MEETING DATE: APRIL 28, 2011

Session:	Public Session
Subject:	Financial Update – Draft Audited 2010 Financial Statements
Prepared By:	Barbara Jessop
Presented By:	Barbara Jessop
Purpose of Report:	For Decision: Approval <input checked="" type="checkbox"/>

Recommendation

It is recommended that this report be approved.

Issue/Opportunity

The purpose of this report is to provide the draft 2010 London Public Library audited financial statements. The draft 2010 operating and trust fund financial statements will be presented by Katie denBok and Ian Jeffreys, of KPMG, to the Board at its April 28, 2011 meeting. The draft audited statements are attached. Upon approval by the Library Board, the draft financial statements will become final.

Review

In preparing the 2010 financial statements, the Library implemented PSAB sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires the recording and amortizing of tangible capital assets in the financial statements (see note 1(g)(i)). In prior years, tangible capital asset additions were expensed in the year of acquisition. Adopting the new reporting standards, and recording tangible capital assets at historical cost and amortizing them over their useful lives, has resulted in a surplus at the end of 2010 in the amount of \$32,067,170. As outlined in Note 9, the accumulated surplus consists of the net book value (cost minus amortization) of the capital assets and future benefit liabilities.

The Library was in a break even position at the end of 2010 (before amortization) and although the 2012 budget will be presented in the new Service Based Budget format, it will not incorporate the changes as a result of tangible capital assets. This does not impact the capital and operating budget processes and funding from the City.

