

**CALGARY PUBLIC LIBRARY FOUNDATION**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2009**

## Auditors' Report

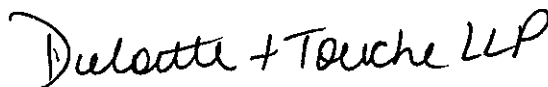
To the Directors of the  
Calgary Public Library Foundation

We have audited the statement of financial position of the Calgary Public Library Foundation (the "Foundation") as at December 31, 2009 and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Foundation'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 common with many charitable organizations, the Foundation derives part of its revenue from the public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donations revenue, revenues in excess of expenses and assets.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2009 and the results of its financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Calgary, Alberta  
March 5, 2010

**CALGARY PUBLIC LIBRARY FOUNDATION**  
**Statement of Financial Position**  
**As At December 31**

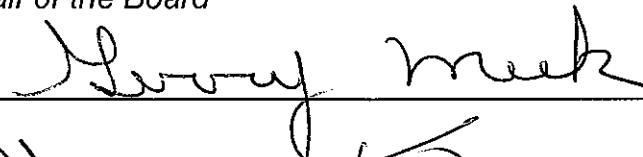
	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	167,870	42,904
	<u>167,870</u>	<u>42,904</u>

<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	154	-
Deferred revenue - Casino	76,760	-
	<u>76,914</u>	<u>-</u>

<b>FOUNDATION POSITION</b>		
Fund balance	90,956	42,904
	<u>167,870</u>	<u>42,904</u>

*The notes to the Financial Statements are an integral part of the Financial Statements.*

On behalf of the Board

 member

 member

**CALGARY PUBLIC LIBRARY FOUNDATION**  
**Statement of Financial Activities**  
**For the Year Ended December 31**

	2009	2008
	\$	\$
<b>REVENUES</b>		
Donations		
General	264,245	192,737
Special Events	22,043	-
Casino revenue	2,090	-
Interest	92	3,141
	288,470	195,878
<b>EXPENSES</b>		
Administration expenses	5,483	2,109
Casino	2,090	-
Special Events	37,845	
Donation to Calgary Public Library Board	195,000	450,499
Donation to Endowment Contribution Fund (Note 6)	-	15,000
	240,418	467,608
<b>CHANGE IN FUND BALANCE</b>	48,052	(271,730)
<b>OPENING FUND BALANCE</b>	42,904	314,634
<b>CLOSING FUND BALANCE</b>	90,956	42,904

*The notes to the Financial Statements are an integral part of the Financial Statements.*

**CALGARY PUBLIC LIBRARY FOUNDATION**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2009**

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**1. OPERATIONS**

The Calgary Public Library Foundation (the "Foundation") was incorporated on March 1, 1999 under the Companies Act of the Province of Alberta and commenced operations in 2000. The Foundation is a registered charitable organization for purposes of the Income Tax Act. Accordingly, no provision for income taxes has been made in these financial statements.

The objective of the Foundation is to raise funds for the purposes of making donations to The Calgary Public Library Board.

**2. CHANGES IN ACCOUNTING POLICIES**

Financial Instruments

The Foundation has elected to continue following the requirements of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3861, Financial Instruments - Disclosure and Presentation, and not adopt Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation.

Financial Statement Presentation

Effective January 1, 2009, the Foundation adopted the sections of the CICA Handbook that were amended to include not-for-profit organizations within their scope. The sections adopted are as follows:

Cash Flow Statements, Section 1540. This section was amended to include not-for-profit organizations within its scope and requires the inclusion of a cash flow statement in the annual financial statements. A statement of cash flows has not been included in the financial statements as the information it would contain is readily accessible from the financial statements presented.

Disclosure of Related Party Transactions by Not-for-Profit Organizations, Section 4460. This Section was amended to make the language in Section 4460 consistent with Section 3840 Related Party Transactions. There was no impact in adopting this section on the Foundation's financial statements.

**CALGARY PUBLIC LIBRARY FOUNDATION**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2009**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include the following accounting policies:

**Donations**

The Foundation records all donations, pledges and bequests when the assets are received.

**Revenue recognition**

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income and donation income are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Financial instruments**

The Foundation has classified its financial asset, cash, as held for trading. The Foundation has classified its financial liability, accounts payable and accrued liabilities, as other financial liabilities.

Financial assets held for trading are measured at fair value with changes in their fair value recognized in the Statement of Financial Activities in the current period. Other financial liabilities are measured at amortized cost using the effective interest rate method of amortization.

The Foundation assesses at each statement of financial position date whether a financial asset carried at cost is impaired. If there is objective evidence that an impairment loss exists, the amount of the loss is measured as the difference between the carrying amount of the asset and its fair value. The carrying amount of the asset is reduced and the amount of the loss is recognized in the Statement of Financial Activities.

Transaction costs incurred for the acquisition or disposition of all financial assets and liabilities are recorded in the Statement of Financial Activities when incurred.

The Foundation does not enter into any derivative financial instrument arrangements.

**CALGARY PUBLIC LIBRARY FOUNDATION**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2009**

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Contributed and donated services

Volunteers contribute a number of hours each year to assist the Foundation in carrying out its services and activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. The Calgary Public Library Board provides administrative services to the Foundation free of charge. The value of these services is not included in the financial statements.

**4. DIRECT MAIL OUT CAMPAIGN**

The cost of the mail out campaign for the Foundation in 2009 of \$28,707 (2008 - \$6,450) is included in the Calgary Public Library Board's financial statements.

**5. FINANCIAL INSTRUMENTS**

The carrying value of the Foundation's financial instruments approximates their fair value due to the short term nature.

**CALGARY PUBLIC LIBRARY FOUNDATION**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2009**

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**6. ENDOWMENT CONTRIBUTION TO THE CALGARY FOUNDATION**

A contribution of \$50,000 was gifted by the Foundation to the Calgary Foundation in May 2005, to establish a perpetual endowment fund in support of library collections called the 'Calgary Public Library Fund' (the "Fund"). During 2006, an additional \$25,000 was transferred by the Foundation to the Calgary Foundation as per a donor's request. In 2008 a further \$15,000 was donated at the request of several donors to support a long-term endowment. The Calgary Foundation will retain all contributions to the Fund and invest them in accordance with its investment policy and the provisions of the Calgary Foundation Act. The Library will receive a percentage of the market value of the Fund each year. The 2009 amount was nil (2008-\$3,811) and there was no receipt from the additional fund held by the Foundation (2008- \$481.)