

**CALGARY PUBLIC LIBRARY FOUNDATION**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2011**

## INDEPENDENT AUDITOR'S REPORT

To Directors of the Calgary Public Library Foundation

We have audited the accompanying financial statements of the Calgary Public Library Foundation, which comprise the statement of financial position as at December 31, 2011 and the statement of operations and change in fund balance for the year then ended and notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Calgary Public Library Foundation as at December 31, 2011 and the results of its operations and change in fund balance for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*  
Chartered Accountants

March 28, 2012  
Calgary, Alberta


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

	2011	2010
	\$	\$
<b>ASSETS</b>		
Cash	192,032	267,287
Accounts receivable	3,525	1,366
	<u>195,557</u>	<u>268,653</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,800	2,700
Deferred revenue	-	67,712
	<u>2,800</u>	<u>70,412</u>
Fund balance	192,757	198,241
	<u>195,557</u>	<u>268,653</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 Operations and Change in Fund Balance**  
**For the Year Ended December 31**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUES</b>		
Donations		
General	296,613	359,542
Casino revenue	67,712	78,850
	<b>364,325</b>	<b>438,392</b>
<b>EXPENSES</b>		
Administration	8,076	5,511
Casino	-	2,090
Donation to Calgary Public Library Board (Note 6)	361,733	323,506
	<b>369,809</b>	<b>331,107</b>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<b>(5,484)</b>	<b>107,285</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>198,241</b>	<b>90,956</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>192,757</b>	<b>198,241</b>

*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, 2011**

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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. 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**

Restricted donations, casino revenue, and investment income are 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 and risk management**

The Foundation did not hold investments during the reporting period. For the Foundation's other financial instruments, including cash, accounts receivable, and accounts payable and accrued liabilities, their carrying values approximate their fair value due to the short term nature.

#### **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.

## **CALGARY PUBLIC LIBRARY FOUNDATION**

### **Notes to Financial Statements**

**For the Year Ended December 31, 2011**

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#### Statement of cash flows

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.

### **3. FUTURE ACCOUNTING CHANGE**

The Canadian Institute of Chartered Accountants has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for the annual reporting period that commences on or after January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards and Canadian accounting standards for not-for-profit organizations, whichever accounting framework suits them best. Early adoption of these standards is permitted. The Foundation currently plans to adopt the new Canadian accounting standards for not-for-profit organizations for its fiscal year beginning January 1, 2012 and has not yet determined the impact of adoption.

### **4. DIRECT MAIL OUT CAMPAIGN**

The cost of the mail out campaign for the Foundation in 2011 of \$59,055 (2010 - \$30,541) is included in the Calgary Public Library Board's financial statements.

### **5. 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.

**CALGARY PUBLIC LIBRARY FOUNDATION**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2011**

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**6. DONATION TO CALGARY PUBLIC LIBRARY**

The Donation to Calgary Public Library Board is comprised of the following:

	2011	2010
Collection Materials	\$ 61,148	\$ 113,506
Cash	300,585	210,000
<b>Total</b>	<b>\$ 361,733</b>	<b>\$ 323,506</b>

Monetary donations are granted to the Calgary Public Library Board categorized using donors directions for expenditure of those funds. Funds received from the Casino must be used for the purchase of collection materials by the Foundation. The materials are then donated to the Calgary Public Library Board.