

Financial Statements of

**CANADIAN URBAN LIBRARIES
COUNCIL (CULC) / CONSEIL DES
BIBLIOTHÈQUES URBAINES
DU CANADA**

For the Period from
March 17, 2008 (Date of Incorporation)
to December 31, 2008

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AUDITOR'S REPORT

To the Members of:
Canadian Urban Libraries Council (CULC)
/ Conseil des Bibliothèques Urbaines du Canada

We have audited the statement of financial position of Canadian Urban Libraries Council (CULC) / Conseil des Bibliothèques Urbaines du Canada as at December 31, 2008 and the statement of general operating fund for the period from March 17, 2008 (date of incorporation) to December 31, 2008. These financial statements are the responsibility of the organization's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 not-for-profit organizations, the organization derives revenue from grants and sponsorships, 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 organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Canadian Urban Libraries Council (CULC) / Conseil des Bibliothèques Urbaines du Canada as at December 31, 2008, as well as its operating results and changes in its financial position for the period then ended in accordance with Canadian generally accepted accounting principles.

Harris & Chong LLP

HARRIS & CHONG LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
April 24, 2009

**CANADIAN URBAN LIBRARIES COUNCIL (CULC)
/ CONSEIL DES BIBLIOTHÈQUES URBAINES
DU CANADA**

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008**

	2008
	\$
ASSETS	
Current Assets	
Cash	102,994
Investments (Note 3)	16,035
Accounts receivable	2,000
Prepaid expenses	12,102
	133,131
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	8,092
Deferred revenue	7,690
	15,782
FUND BALANCES	
General operating fund	23,109
Contributed surplus (Note 4)	94,240
	117,349
	133,131

APPROVED ON BEHALF OF THE BOARD:

Director

Director

The accompanying notes are an integral part of these financial statements.

**CANADIAN URBAN LIBRARIES COUNCIL (CULC)
/ CONSEIL DES BIBLIOTHÈQUES URBAINES
DU CANADA**

STATEMENT OF GENERAL OPERATING FUND
FOR THE PERIOD FROM MARCH 17, 2008 (DATE OF INCORPORATION) TO
DECEMBER 31, 2008

	2008
	\$
REVENUES	
Membership	124,195
Grants / sponsorships	23,935
Interest income	543
	148,673
EXPENSES	
Contracted services	79,000
Special project – Social inclusion	11,241
Stakeholder relations	9,580
Translating and interpretation	7,072
Special project – KP1	5,080
Professional fees	4,803
Administration	3,947
Recognition	1,572
Technology	1,137
Membership	919
Catering	701
Insurance	512
	125,564
EXCESS OF REVENUES OVER EXPENSES AND FUND BALANCE	23,109

The accompanying notes are an integral part of these financial statements.

CANADIAN URBAN LIBRARIES COUNCIL (CULC) / CONSEIL DES BIBLIOTHÈQUES URBAINES DU CANADA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

1. Status and nature of activities

Canadian Urban Libraries Council (CULC) / Conseil des Bibliothèques Urbaines du Canada is incorporated without share capital under the laws of the Province of Ontario. Its purpose is to work collaboratively to build vibrant urban communities by strengthening the capacity of Canada's urban libraries.

The corporation qualifies as a non-profit organization, which is exempt from income tax under the Income Tax Act.

2. Significant accounting policies

Revenue recognition

Membership dues, which are tied to the calendar year, are recognized as revenue when received.

Interest income is recognized as earned.

Investments

Investments are purchased to be held to maturity, and accordingly are recorded at cost plus accrued interest, calculated using the effective interest rate method.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Contributed services

The organization would not be able to carry out its activities without the services of the many volunteers who contribute a considerable number of hours. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**CANADIAN URBAN LIBRARIES COUNCIL (CULC)
/ CONSEIL DES BIBLIOTHÈQUES URBAINES
DU CANADA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

3. Investment

The investment consists of a Guaranteed Investment Certificate, maturing in 2009, and bearing interest at a variable rate.

	2008 \$
Investments at cost	15,922
Accrued interest	113
	<u>16,035</u>

4. Contributed surplus

The General Operating Fund accounts for current operations and programs as well as the Council's administrative activities.

The Contributed Surplus represents the transfer of the net assets remaining from the activities of the predecessor Canadian Urban Libraries Council (unincorporated).

5. Contractual commitments

The Council is committed to a special project for key performance indicators, which commenced in November 2008 and will last 3 years. The contractual commitment is \$23,000.

The Council also entered a consulting contract with ReStructure in December 2008 for a total amount of \$15,000 plus GST. The Council paid \$6,000 in 2008, which is recognized as a prepaid expense. The balance will be paid in 2009.

6. Financial instruments

The corporation's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities.

Unless otherwise noted, it is the Board's opinion that the corporation is not exposed to material interest or credit risks arising from its financial instruments, and that the fair values of its financial instruments approximate their carrying value.

7. Changes in financial position

A statement of cash flows has not been prepared because it would not provide any additional meaningful information.