

Financial Statements of

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

For the Year ended December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Canadian Urban Libraries Council (CULC) / Conseil des Bibliothèques Urbaines du Canada, which comprise the statement of financial position as at December 31, 2010, and the statement of operations and accumulated surplus for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards, 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 and the directors, 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 Canadian Urban Libraries Council (CULC) / Conseil des Bibliothèques Urbaines du Canada as at December 31, 2010, and its financial performance for the year then ended in accordance with Canadian Accounting Standards.

HARRIS & CHONG LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
, 2011

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

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010**

	2010	2009
	\$	\$
ASSETS		
Current Assets		
Cash	181,966	122,247
Investments	-	16,017
Accounts receivable	147,001	3,100
Prepaid expenses	17,500	15,771
	346,467	157,135
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	4,538	9,247
HST/GST payable	1,044	1,056
Deferred revenue – memberships (Note 2)	137,796	34,458
Deferred revenue – KPI project (Note 2)	107,943	11,581
	251,321	56,342
FUND BALANCES		
General operating fund	1,906	6,553
Contributed surplus (Note 2)	94,240	94,240
	96,146	100,793
	346,467	157,135

APPROVED ON BEHALF OF THE BOARD:

Director

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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 YEAR ENDED DECEMBER 31, 2010**

	ACTUAL 2010 \$	ACTUAL 2009 \$
REVENUES		
Membership	127,359	126,570
Grants / sponsorships	-	-
Special project – KPI	46,074	79,065
Interest income	676	-
Other revenue	2,360	-
	176,469	205,635
EXPENSES		
Contracted services (Note 4)	85,845	53,610
Special project – Social inclusion	723	17,425
Translating and interpretation	18,115	6,906
Special project – KPI (Notes 3, 4)	46,074	79,065
Professional fees	6,035	2,471
Administration	5,480	1,951
Recognition	-	-
Telephone	1,033	3,512
Membership	2,391	1,481
Catering	8,620	9,733
Insurance	702	702
Web development	5,658	6,369
Travel and accommodation	-	-
Rental	440	911
Purchase	-	392
Future projects	-	5,748
	181,116	190,276
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUE)	(4,647)	15,359
Balance at beginning of year	6,553	(8,806)
BALANCE AT END OF YEAR	1,906	6,553

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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, 2010

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**

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).

Revenue recognition

CULC follows the deferral method of accounting for contributions received for special projects. This method recognizes contributions in the period in which qualifying expenses are incurred.

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

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.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

3. Allocation of expenses – KPI project

Only expenses related directly to the KPI project are allocated to the KPI project, except for the following:

Contracted services reported in the statement of general operating fund are reported after allocation of 20% (2009 – 33) of the Executive Director's compensation and professional fees to the KPI project expenses, representing the proportionate share of this project.

4. Contractual commitments

CULC 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.

5. 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.

6. Changes in financial position

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

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