

Consolidated Financial Statements of

**THE LONDON PUBLIC LIBRARY  
BOARD TRUST FUNDS**

Year ended December 31, 2014



**KPMG LLP**  
140 Fullarton Street Suite 1400  
London ON N6A 5P2  
Canada

Telephone (519) 672-4880  
Fax (519) 672-5684  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

To the Chair and Members of The London Public Library Board Trust Funds

We have audited the accompanying consolidated financial statements of The London Public Library Board Trust Funds, which comprise the consolidated financial position as at December 31, 2014, the consolidated statements of earnings and fund equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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



*Basis for Qualified Opinion*

In common with many charitable organizations, The London Public Library Board Trust Funds derives revenue from 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 entity and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenses, assets and fund equity.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of The London Public Library Board Trust Funds as at December 31, 2014, and its consolidated results of operations for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

---

Chartered Professional Accountants, Licensed Public Accountants

April 23, 2015

London, Canada

# THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

## Consolidated Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Assets</b>		
Cash	\$ 3,516,220	\$ 3,344,373
Investment (note 2)	-	88,892
Accounts receivable	87,083	2,786
Prepaid expenses	732	365
	<b>\$ 3,604,035</b>	<b>\$ 3,436,416</b>
<b>Accounts Payable, Accrued Liabilities and Fund Equity</b>		
Accounts payable and accrued liabilities	\$ 133,467	\$ 21,702
Fund equity	3,470,568	3,414,714
	<b>\$ 3,604,035</b>	<b>\$ 3,436,416</b>

See accompanying notes to consolidated financial statements.

# THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

## Consolidated Statement of Earnings and Fund Equity

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Fund equity, beginning of year	\$ 3,414,714	\$ 3,096,153
Dividend income	22,115	12,513
Interest earned	34,413	30,866
Donations	317,447	513,532
Other revenue	15,033	-
	3,803,722	3,653,064
Expenditures	333,154	238,350
Fund equity, end of year	\$ 3,470,568	\$ 3,414,714

See accompanying notes to consolidated financial statements.

# THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2014

---

### 1. Significant accounting policies:

The financial statements of The London Public Library Board Trust Funds (the "Funds") are prepared in accordance with accounting principles as defined in the Chartered Professional Accountants Canada Public Sector Accounting Handbook.

#### (a) Accrual accounting:

The accrual basis of accounting is used in the preparation of these consolidated financial statements, with the exception of donations, which are recorded as revenue when received.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### (b) Investment:

Investment is carried at cost. A write-down of the carrying value is charged to expenditures when evidence indicates a permanent decline in the underlying value and earning power of an individual investment.

#### (c) Contributions:

Contributions received with direction by the donor that the capital of the gift is to be held for a period of not less than ten years are included in the capital portion of each Fund.

Contributions received for library use and investment income are included in the income portion of each Fund.

### 2. Investment:

The investment is comprised of shares held at year end in the Income Fund. The market value of the investment is nil at December 31, 2014 (2013 - \$110,001).

# THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

## Statement of Financial Position - Trust Funds

Year ended December 31, 2014

December 31, 2014	Income Fund	Capital Fund	R.E.A.D . Program	Total
<b>Assets:</b>				
Cash and short-term deposits	\$ 3,429,427	\$ 71,911	\$ 14,882	\$ 3,516,220
Accounts receivable	87,009	61	13	87,083
Prepaid expenses	732	-	-	732
	<u>\$ 3,517,168</u>	<u>\$ 71,972</u>	<u>\$ 14,895</u>	<u>\$ 3,604,035</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 133,467	\$ -	\$ -	\$ 133,467
Fund equity	3,383,701	71,972	14,895	3,470,568
	<u>\$ 3,517,168</u>	<u>\$ 71,972</u>	<u>\$ 14,895</u>	<u>\$ 3,604,035</u>

# THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

## Statement of Earnings and Fund Equity - Trust Funds

Year ended December 31, 2014

December 31, 2014	Income Fund	Capital Fund	R.E.A.D . Program	Total
Balance, beginning of year	\$ 3,328,710	\$ 71,256	\$ 14,748	\$ 3,414,714
Interest earned	33,550	716	147	34,413
Donations	317,447	-	-	317,447
Dividend income	22,115	-	-	22,115
Other revenue	15,033	-	-	15,033
	3,716,855	71,972	14,895	3,803,722
Expenditures	333,154	-	-	333,154
Balance, end of year	\$ 3,383,701	\$ 71,972	\$ 14,895	\$ 3,470,568