

Financial Statements of

**THE LONDON PUBLIC LIBRARY
BOARD TRUST FUNDS**

Year ended December 31, 2017



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The London Public Library Board Trust Funds, which comprise the statement of financial position as at December 31, 2017, the statements of earnings and fund equity for the year then ended, schedules, and note, comprising 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 public sector 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.

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 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 our 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, we consider 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.



Basis for Qualified Opinion

In common with many charitable organizations, The London Public Library Board Trust Funds derives revenue from cash 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, 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 financial statements present fairly, in all material respects, the financial position of The London Public Library Board Trust Funds as at December 31, 2017, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that serves as a separator or underline.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

April 26, 2018

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Cash (Schedule)	\$ 515,016	\$ 3,589,009
Investments (Schedule, note 2)	2,800,000	-
Accounts receivable (Schedule)	19,202	37
Prepaid expenses (Schedule)	5,149	-
Due from The London Public Library Board (Schedule)	40,380	-
	\$ 3,379,747	\$ 3,589,046
Liabilities and Fund Equity		
Due to The London Public Library Board (Schedule)	\$ -	\$ 78,932
Fund equity (Schedule)	3,379,747	3,510,114
	\$ 3,379,747	\$ 3,589,046

See accompanying notes to financial statements.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Statement of Earnings and Fund Equity

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Fund equity, beginning of year	\$ 3,510,114	\$ 3,469,132
Donations (Schedule)	698,885	280,795
Interest (Schedule)	35,881	19,760
Other revenue (Schedule)	2,139	2,000
Dividends (Schedule)	101	364
	4,247,120	3,772,051
Expenditures (Schedule)	867,373	261,937
Fund equity, end of year	\$ 3,379,747	\$ 3,510,114

Note: No statement of cash flows has been provided as it is not considered to provide additional useful information to the users of the financial statements

See accompanying notes to financial statements.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2017

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 Handbook - Accounting.

(a) Accrual accounting:

The accrual basis of accounting is used in the preparation of these 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) 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. Investments:

Investments consist of term deposits with short-term maturities and interest rates ranging from 1.15% to 1.65%.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Schedule - Statement of Financial Position - Trust Funds

Year ended December 31, 2017

	Income Fund	Capital Fund	R.E.A.D . Program	Total
Assets:				
Cash	\$ 437,040	\$ 62,803	\$ 15,173	\$ 515,016
Investments	2,800,000	-	-	2,800,000
Accounts receivable	19,133	55	14	19,202
Prepaid expenses	5,149	-	-	5,149
Due from The London Public Library Board	40,380			40,380
	<u>\$ 3,301,702</u>	<u>\$ 62,858</u>	<u>\$ 15,187</u>	<u>\$ 3,379,747</u>
Liabilities:				
Due to The London Public Library Board	\$ -	\$ -	\$ -	-
Fund equity	3,301,702	62,858	15,187	3,379,747
	<u>\$ 3,301,702</u>	<u>\$ 62,858</u>	<u>\$ 15,187</u>	<u>\$ 3,379,747</u>

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Schedule - Statement of Earnings and Fund Equity - Trust Funds

Year ended December 31, 2017

	Income Fund	Capital Fund	R.E.A.D . Program	Total
Fund equity, beginning of year	\$ 3,432,654	\$ 62,386	\$ 15,074	\$ 3,510,114
Donations	698,885	-	-	698,885
Interest	35,296	472	113	35,881
Other revenue	2,139	-	-	2,139
Dividends	101	-	-	101
	4,169,075	62,858	15,187	4,247,120
Expenditures	867,373	-	-	867,373
Fund equity, end of year	\$ 3,301,702	\$ 62,858	\$ 15,187	\$ 3,379,747