

Financial Statements of

**THE LONDON PUBLIC LIBRARY
BOARD TRUST FUNDS**

Year ended December 31, 2016



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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, 2016, 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, 2016, 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.

Chartered Professional Accountants, Licensed Public Accountants

April 27, 2017

London, Canada

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Cash (Schedule)	\$ 3,589,009	\$ 3,472,461
Accounts receivable (Schedule)	37	36
	\$ 3,589,046	\$ 3,472,497
Liabilities and Fund Equity		
Accounts payable and accrued liabilities (Schedule)	\$ 78,932	\$ 3,365
Fund equity (Schedule)	3,510,114	3,469,132
	\$ 3,589,046	\$ 3,472,497

See accompanying note to financial statements.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Statement of Earnings and Fund Equity

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Fund equity, beginning of year	\$ 3,469,132	\$ 3,470,568
Dividends (Schedule)	364	-
Interest (Schedule)	19,760	22,718
Donations (Schedule)	280,795	285,920
Other revenue (Schedule)	2,000	10,431
	3,772,051	3,789,637
Expenditures (Schedule)	261,937	320,505
Fund equity, end of year	\$ 3,510,114	\$ 3,469,132

See accompanying note to financial statements.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2016

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.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Schedule - Statement of Financial Position - Trust Funds

Year ended December 31, 2016

	Income Fund	Capital Fund	R.E.A.D . Program	Total
Assets:				
Cash and short-term deposits	\$ 3,509,353	\$ 64,589	\$ 15,067	\$ 3,589,009
Accounts receivable	-	30	7	37
	<u>\$ 3,509,353</u>	<u>\$ 64,619</u>	<u>\$ 15,074</u>	<u>\$ 3,589,046</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 76,699	\$ 2,233	\$ -	\$ 78,932
Fund equity	3,432,654	62,386	15,074	3,510,114
	<u>\$ 3,509,353</u>	<u>\$ 64,619</u>	<u>\$ 15,074</u>	<u>\$ 3,589,046</u>

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Schedule - Statement of Earnings and Fund Equity - Trust Funds

Year ended December 31, 2016

	Income Fund	Capital Fund	R.E.A.D . Program	Total
Balance, beginning of year	\$ 3,389,878	\$ 64,264	\$ 14,990	\$ 3,469,132
Interest earned	19,321	355	84	19,760
Donations	280,795	-	-	280,795
Dividend income	364	-	-	364
Other revenue	2,000	-	-	2,000
	3,692,358	64,619	15,074	3,772,051
Expenditures	259,704	2,233	-	261,937
Balance, end of year	\$ 3,432,654	\$ 62,386	\$ 15,074	\$ 3,510,114