

Financial Statements of

**THE LONDON PUBLIC
LIBRARY BOARD TRUST FUNDS**

Year ended December 31, 2007



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AUDITOR'S REPORT

To the Chair and Members of the London Public Library Board

We have audited the balance sheet of The London Public Library Board Trust Funds as at December 31, 2007 and the statement of continuity and fund equity for the year then ended. These financial statements are the responsibility of the Board's management. 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 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 similar organizations, the Trust Funds derive 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 Trust Funds and we were not able to determine whether any adjustments might be necessary to donation revenue, assets and balances at the end of the year.

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 donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of the Trust Funds of The London Public Library Board as at December 31, 2007 and the continuity of Trust Funds for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

London, Canada

March 7, 2008

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Balance Sheet

Year ended December 31, 2007, with comparative figures for 2006

| | Income fund | Capital fund | R.E.A.D. Program | 2007 Total | 2006 Total |
|---|---------------------|------------------|---------------------|---------------------|---------------------|
| Assets | | | | | |
| Cash and short-term deposits | \$ 1,331,637 | \$ 66,559 | \$ 7,529 | \$ 1,405,725 | \$ 1,123,323 |
| Investment (note 2) | 60,168 | - | - | 60,168 | 58,080 |
| Accounts receivable | 104,459 | - | 9,683 | 114,142 | 12,597 |
| | \$ 1,496,264 | \$ 66,559 | \$ 17,212 | \$ 1,580,035 | \$ 1,194,000 |
| Accounts Payable, Accrued Liabilities and Equity | | | | | |
| Accounts payable and accrued liabilities | \$ 86,888 | \$ - | \$ - | \$ 86,888 | \$ 75 |
| Fund equity | 1,409,376 | 66,559 | 17,212 | 1,493,147 | 1,193,925 |
| | \$ 1,496,264 | \$ 66,559 | \$ 17,212 | \$ 1,580,035 | \$ 1,194,000 |

See accompanying notes to financial statements.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Statement of Continuity and Fund Equity

Year ended December 31, 2007, with comparative figures for 2006

| | Income fund | Capital fund | R.E.A.D. Program | 2007 Total | 2006 Total |
|----------------------------|----------------|-----------------|---------------------|---------------|---------------|
| Balance, beginning of year | \$ 1,121,279 | \$ 63,897 | \$ 8,663 | \$ 1,193,839 | 609,935 |
| Interest earned | 48,873 | - | 400 | 49,273 | 39,418 |
| Donations | 474,027 | - | 9,551 | 483,578 | 653,457 |
| Other revenue | 1,254 | 2,662 | - | 3,916 | 2,485 |
| | 1,645,433 | 66,559 | 18,614 | 1,730,606 | 1,305,295 |
| Expenditures | 236,057 | - | 1,402 | 237,459 | 111,370 |
| Balance, end of year | \$ 1,409,376 | \$ 66,559 | \$ 17,212 | \$ 1,493,147 | \$ 1,193,925 |

See accompanying notes to financial statements.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2007

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 Canadian Institute of Chartered Accountants Public Sector Accounting Handbook.

(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) 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 by the Income Fund. The market value of the investment is \$60,168 at December 31, 2007.