

Financial Statements of

**THE LONDON PUBLIC LIBRARY
BOARD TRUST FUNDS**

And Independent Auditor's Report thereon

Year ended December 31, 2025

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Statement of Financial Position

December 31, 2025, with comparative information for 2024

| | 2025 | 2024 |
|--|---------------------|---------------------|
| Assets | | |
| Cash | \$ 2,344,575 | \$ 2,406,745 |
| Investments (note 2) | 3,054,307 | 3,055,738 |
| Accounts receivable | 49,853 | 67,655 |
| Prepaid expenses | – | 6,519 |
| | \$ 5,448,735 | \$ 5,536,657 |
| Liabilities and Fund Equity | | |
| Accounts payable and accrued liabilities | \$ – | \$ 2,700 |
| Due to The London Public Library Board | 516,484 | 772,529 |
| Fund equity | 4,932,251 | 4,761,428 |
| | \$ 5,448,735 | \$ 5,536,657 |

See accompanying notes to financial statements.

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Statement of Earnings and Fund Balances

Year ended December 31, 2025, with comparative information for 2024

| | 2025 | 2024 |
|----------------------------|------------------|------------------|
| Balance, beginning of year | \$ 4,761,428 | \$ 3,675,337 |
| Interest earned | 168,333 | 234,611 |
| Donations | 779,225 | 1,231,522 |
| | <u>5,708,986</u> | <u>5,141,470</u> |
| Expenditures | 776,735 | 380,042 |
| Balance, end of year | \$ 4,932,251 | \$ 4,761,428 |

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, 2025

The balances and transactions recorded in these financial statements represent the financial position and results from operations of The London Public Library Board Trust Funds (the "Funds").

1. Significant accounting policies:

The financial statements of the Funds are prepared in accordance with Canadian Public Sector Accounting Standards, including the 4200 standards for government not-for-profit organizations.

(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.

(c) Financial instruments:

Financial Instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument.

| Financial instrument | Measurement method |
|--|--------------------|
| Cash | Cost |
| Investments | Amortized cost |
| Accounts receivable | Cost |
| Accounts payable and accrued liabilities | Cost |

THE LONDON PUBLIC LIBRARY BOARD TRUST FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

Amortized cost is measured using the effective interest rate method, as opposed to the straight-line method.

Fair value category: The Funds have not elected to reflect any financial instruments at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. A Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category.

Cost category: Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

2. Investments:

Investments consist of term deposits with short-term maturities and interest rates ranging from 2.49% to 3.10% (2024 - 4.41% to 4.60%)

3. Financial risks and concentration of risk:

It is the Funds' opinion that they are not subject to significant financial risks, including currency, credit, liquidity, and interest rate risk.