Tourism London
Financial Statements
December 31, 2025

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Independent Auditor’s Report

To the Members of Tourism London:

Opinion

We have audited the financial statements of Tourism London (the “Organization”), which comprise the statement of financial position as at December 31, 2025, and the statement of operations, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Organization’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

London, Ontario

Chartered Professional Accountants

Licensed Public Accountants

Tourism London
Statement of Financial Position
As at December 31, 2025

	General Operations	Special Initiatives Reserve	Municipal Accomodation Tax Reserve	Total 2025	Total 2024
Assets					
Current					
Cash held in trust by City of London (Note 3)	$ 51,623	$ -	$ -	$ 51,623	$ 557,012
Accounts receivable (Note 10)	15,180	-	450,392	465,572	712,271
Prepaid expenses	104,084	-	-	104,084	12,573
Souvenir inventory	7,322	-	-	7,322	11,118
HST receivable	52,021	-	-	52,021	18,130
	230,230	-	450,392	680,622	1,311,104
Restricted					
Cash held in trust by City of London (Note 3 and 4)	-	668,292	6,510,523	7,178,815	6,291,346
	$ 230,230	$ 668,292	$ 6,960,915	$ 7,859,437	$ 7,602,450
Liabilities					
Current					
Accounts payable and accrued liabilities (Note 10)	$ 230,230	$ -	$ 17,341	$ 247,571	$ 796,917
Unearned revenue (Note 5)	-	-	-	-	101
	$ 230,230	$ -	$ 17,341	$ 247,571	$ 797,018

Contingencies and commitments (Note 8)

	General Operations	Special Initiatives Reserve	Municipal Accomodation Tax Reserve	Total 2025	Total 2024
Fund balances					
General operations fund	-	-	-	-	-
Special initiatives reserve	-	668,292	-	668,292	815,394
Municipal accomodation tax reserve	-	-	6,943,574	6,943,574	5,990,038
	-	668,292	6,943,574	7,611,866	6,805,432
	$ 230,230	$ 668,292	$ 6,960,915	$ 7,859,437	$ 7,602,450

Approved on behalf of the Board

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Director **Director**

The accompanying notes are an integral part of these financial statements

Tourism London
Statement of Changes in Net Assets
For the year ended December 31, 2025

	General Operations	Special Initiatives Reserve	Municipal Accomodation Tax Reserve	Total 2025	Total 2024
Net assets, beginning of the year	**$ -**	**$ 815,394**	**$ 5,990,038**	**$ 6,805,432**	$ 5,827,907
Excess of revenues over expenditures for the year	**(5,803)**	**(141,299)**	**953,536**	**806,434**	977,525
Interfund transfer (Note 9)	**5,803**	**(5,803)**	**-**	**-**	-
Net assets, end of the year	**$ -**	**$ 668,292**	**$ 6,943,574**	**$ 7,611,866**	$ 6,805,432

The accompanying notes are an integral part of these financial statements

Tourism London
Statement of Operations
For the year ended December 31, 2025

	General Operations	Special Initiatives Reserve	Municipal Accomodation Tax Reserve	Total 2025	Total 2024
Revenue					
Operating grant - City of London (Note 6)	$ 2,640,565	$ -	$ -	$ 2,640,565	$ 2,602,261
Co-op promotions	76,346	-	-	76,346	115,525
Contributions	118,290	-	-	118,290	75,640
Other income	15,305	-	-	15,305	9,431
Interest earned (Schedule 1)	-	28,306	367,603	395,909	355,740
Municipal accomodation tax	-	-	2,408,864	2,408,864	2,062,668
Total Revenues	2,850,506	28,306	2,776,467	5,655,279	5,221,265
Expenditures					
Administration	510,723	59,473	-	570,196	529,881
Conventions and meetings	343,178	-	-	343,178	330,697
London Music Office	560,393	16,577	-	576,970	646,342
Membership, communications and research	430,786	1,673	-	432,459	418,097
Tourism - leisure	528,107	76,882	-	604,989	552,131
Tourism - sports	526,997	15,000	-	541,997	1,357,952
Municipal accomodation tax	-	-	1,822,931	1,822,931	1,244,803
Total Expenditures	2,900,184	169,605	1,822,931	4,892,720	5,079,903
Excess (deficiency) of revenue over expenditures before other revenue	$ (49,678)	$ (141,299)	$ 953,536	$ 762,559	$ 141,362
Other revenue and expenses					
Provincial grants (Note 10)	43,875	-	-	43,875	850,000
Municipal grants - LCRN	-	-	-	-	10,030
Bad debt	-			-	(23,867)
Total other revenue and expenses	$ 43,875	$ -	$ -	$ 43,875	$ 836,163
Excess (deficiency) of revenue over expenditures for the year	$ (5,803)	$ (141,299)	$ 953,536	$ 806,434	$ 977,525

The accompanying notes are an integral part of these financial statements

		2025		2024
Cash provided by (used for) the following activities				
Operating				
Revenues	$	**5,699,154**	$	6,057,428
Expenditures		**(4,892,720)**		(5,079,903)
		806,434		977,525
Changes in working capital accounts				
Accounts receivable		**246,699**		306,110
Prepaid expenses		**(91,511)**		13,702
Souvenir inventory		**3,796**		(4,215)
HST receivable		**(33,891)**		(9,173)
Accounts payable and accrued liabilities		**(549,346)**		589,376
Unearned revenue		**(101)**		(860,029)
Deposit held in trust		**-**		(75,000)
Increase in cash		**382,080**		938,296
Cash, beginning of year		**6,848,358**		5,910,062
Cash, end of year	$	**7,230,438**	$	6,848,358

Cash consists of:				
Cash held in trust by City of London	$	**51,623**	$	557,012
Cash held in trust by City of London - restricted (Special Initiatives Reserve)	$	**668,292**	$	815,394
Cash held in trust by City of London - restricted (MAT Reserve)	$	**6,510,523**	$	5,475,952
	$	**7,230,438**	$	6,848,358

The accompanying notes are an integral part of these financial statements

1. Purpose of the organization

Tourism London (the "Organization") is a not-for-profit organization which was incorporated, without share capital, on November 22, 1996 and commenced operations January 1, 1997. The Organization is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act.

The mandate of Tourism London is generally to promote the City of London through co-operative partnerships as a tourism and meeting destination resulting in a positive economic impact on the City of London.

Effective January 1, 2023 the operations of the London Music Office were transferred into Tourism London and it is reflected as an operating segment.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

The Organization maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified when the fund was originally set up. The Organization has the following funds:

(i) General Operations

The General Operations Fund accounts for the day to day activities of the Organization.

(ii) Special Initiatives Reserve

The Special Initiatives Reserve Fund holds excess of revenues over expenditures of the general operations. The Board of Directors authorizes expenditures from this fund for tourism initiatives.

(iii) Municipal Accommodation Tax Reserve

The Municipal Accommodation Tax Reserve (MAT Reserve) holds funds received from the Organization's 50 percent share of the net proceeds of the Municipal Accommodation Tax. The Board of Directors authorizes expenditures from this fund for expansion opportunities for sports, conventions, and leisure travel, as well as to pursue opportunities to increase visitations to London, enhance London's national and international profile, support product development and industry growth, fund bid requirements for major events without additional funding from the City, and to become more competitive with other provincial and national cities in Canada.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions.

Restricted contributions including interest earned and the municipal accommodation tax income are recognized as revenue of the restricted fund in the period which they are received or receivable.

Unrestricted contributions including the annual operating grant, other grants, co-op promotions and other income are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined on the first in, first out basis.

2. Significant accounting policies (continued from previous page)

Capital assets

Presently, the City of London provides the Organization with all the necessary capital assets at no cost. The occupation and use of the premises is subject to an annual licence fee of $10. Because of the difficulty in determining a fair value rental amount, no expenditure is recorded in these financial statements.

Contributed services

The City of London presently provides services, such as bookkeeping, at no cost to the Organization. In addition, Tourism London receives contributions from a volunteer Board of Directors and receives contributions from various members for programs and events, from time to time. Because of the difficulty in determining their fair value, contributed services are not recorded in these financial statements.

Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. By their nature, these estimates are subject to measurement uncertainty. These estimates are reviewed periodically and adjustments are made to income in the year in which they become known. Actual results may vary from these estimates.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Company subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Related party financial instruments

All related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 3).

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenditures.

2. Significant accounting policies (continued from previous page)

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors, or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenditures for the year.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenditures in the year the reversal occurs.

Accounting for Cloud Computing Arrangement

The Organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Organization recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, cloud computing expenses of $nil (2024 - $nil) have been recognized in excess of revenue over expenditures.

3. Cash held in trust by the City of London

The City of London maintains all bank accounts for Tourism London. All revenue and expenditures are deposited and paid through the City of London's bank account.

These transactions are measured at the exchange amount, which is the amount considered established and agreed to by related parties.

4. Restricted cash

The City of London maintains the Special Initiatives Reserve account as a custodial fund. The Board of Directors authorizes expenditures from this account.

The City of London maintains the MAT Reserve account as a custodial fund. A Management Committee consisting of members of the Tourism London Board authorizes expenditures from this account.

5. Unearned revenue

	2025	2024
Unearned revenue, beginning of the year	**$ 101**	$ 860,130
Funds received during the year	**-**	819,254
Funds recognized as revenue during the year	**(101)**	(1,679,283)
Unearned revenue, end of the year	**$ -**	$ 101

Unearned revenue represents externally restricted contributions, which are recognized in revenue in the general operations fund in the period in which the related expenses occur.

6. Economic dependence

Due to the magnitude of the Grant from the City of London as well as the various agreements for use of City of London staff and assets, the Organization is economically dependent upon the City of London.

The Operating Grant revenue, Municipal Accommodation Tax (MAT) revenue, and LCRN grant revenue received from the City of London in 2026 is approximately 89% percent of revenues (2024 - 77%).

At fiscal year end, $450,392 (2024 - $555,573) in MAT revenue was receivable from the City of London.

7. Financial instruments

Unless otherwise noted, it is management’s opinion that the Organization is not exposed to significant risks arising from their financial instruments. There have been no changes in the Organization’s risk exposures from the prior year.

Credit risk

The financial instruments that potentially subject the Organization to a significant concentration of credit risk consist primarily of cash and accounts receivable. The Organization mitigates its exposure to credit loss by placing its cash with the City of London. The Organization routinely assesses the financial strength of its partners and, as a consequence, believes that its accounts receivable credit risk exposure is limited.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they become due. The Organization manages this risk by establishing budgets and funding plans to fund its expenses. Cash is held in an interest bearing account which provides a rate of return as well as liquidity.

8. Commitments and contingencies

The Board of Directors has approved approximately $4,060,136 of funding from the MAT Reserve for various initiatives, including amounts approved subsequent to year-end.

9. Interfund transfer

During the year, the Organization transferred $5,803 (2024 - $13,219) from the Special Initiatives Reserve to General Operations. These funds represent the deficiency (2024 – deficiency) of revenues over expenditures of the general operations for the year which is approved by the Board of Directors to transfer into the Special Initiatives Reserve.

10. Government grants

During the fiscal year, the Organization received government assistance in the form of government grants:

Provincial grants

Provincial grants consist of the following amounts:

	2025	2024
Ontario Summer Games	$ -	$ 850,000
2025 Canadian Cross Country Championships	6,750	-
2025 Rowing Canada Aviron Canada Cup	37,125	-
	$ 43,875	$ 850,000

Provincial grant - Cross Country Championships

During 2025, the Organization entered into an agreement with the Ontario Ministry of Sport for the 2025 Canadian Cross Country Championships. The purpose of this funding was to assist the Organization in carrying out the event, which was held in London, Ontario from November 29 to 30, 2025. The maximum funding available under this grant was $7,500. $6,750 in funding was recognized in revenue in 2025. The remaining $750 in funding will be recognized in revenue in 2026.

Provincial grant - 2025 Rowing Canada Aviron Canada Cup

During 2025, the Organization entered into an agreement with the Ontario Ministry of Sport for the 2025 Rowing Canada Aviron Canada Cup. The purpose of this funding was to assist the Organization in carrying out the event, which was held in London, Ontario from August 15 to 17, 2025. The maximum funding available under this grant was $41,250. $37,125 in funding was recognized in revenue in 2025. The remaining $4,125 in funding will be recognized in revenue in 2026.