

Financial Statements of

ONTARIO LIBRARY ASSOCIATION

Year Ended December 31, 1999

AUDITOR'S REPORT

To the Members of
Ontario Library Association

We have audited the statement of financial position of Ontario Library Association as at December 31, 1999 and the statements of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 our opinion, these financial statements present fairly, in all material respects, the financial position of Ontario Library Association as at December 31, 1999, as well as its operating results and the changes in its fund balances for the year then ended in accordance with generally accepted accounting principles.

Braithwaite Harris & Chong

CHARTERED ACCOUNTANTS


Toronto, Ontario
May 24, 2000

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 1999

	GENERAL FUND	RESTRICTED FUNDS	TOTALS 1999	TOTALS 1998
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and equivalents	330,790	22	330,812	107,506
Accounts receivable	288,207	-	288,207	200,396
Inventory	24,974	-	24,974	23,572
Prepaid expenses - conference	90,326	-	90,326	66,015
- contract	42,803	-	42,803	-
- other	9,502	-	9,502	13,730
	<u>786,602</u>	<u>22</u>	<u>786,624</u>	<u>411,219</u>
Due from general fund (note 4)	-	89,752	89,752	161,485
Capital Assets (note 5)	60,599	-	60,599	64,240
<u>Long-term investments (note 6)</u>	<u>-</u>	<u>78,739</u>	<u>78,739</u>	<u>-</u>
	<u>847,201</u>	<u>168,513</u>	<u>1,015,714</u>	<u>636,944</u>
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	285,176	-	285,176	85,855
Deferred revenue - grant (note 7)	8,950	-	8,950	8,950
- conference (note 7)	326,311	-	326,311	193,559
- contract (note 7)	-	-	-	17,150
	<u>620,437</u>	<u>-</u>	<u>620,437</u>	<u>305,514</u>
Due to restricted funds (note 4)	89,752	-	89,752	161,485
	<u>710,189</u>	<u>-</u>	<u>710,189</u>	<u>466,999</u>
FUND BALANCES				
Unrestricted	137,012	-	141,312	8,438
<u>Internally restricted</u>	<u>-</u>	<u>168,513</u>	<u>168,513</u>	<u>161,507</u>
	<u>137,012</u>	<u>168,513</u>	<u>305,525</u>	<u>169,945</u>
	<u>847,201</u>	<u>168,513</u>	<u>1,015,714</u>	<u>636,944</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

The accompanying notes are an integral part
 of these financial statements.

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 1999

	GENERAL FUND		RESTRICTED FUNDS				TOTAL	
	1999	1998	CUMMINGS	SCOTT	BULLER	LEGAL DEFENCE	1999	1998
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES								
General (schedule)	1,081,512	907,566	-	-	-	-	-	-
Contributions	25,577	47,210	357	113	154	245	869	540
Interest (note 4)	-	-	1,336	777	4,028	-	6,141	8,552
	<u>1,107,089</u>	<u>954,776</u>	<u>1,693</u>	<u>890</u>	<u>4,182</u>	<u>245</u>	<u>7,010</u>	<u>9,102</u>
EXPENSES								
General (schedule)	912,678	806,262	-	4	-	-	4	-
Space rental	-	-	-	-	-	-	-	1,449
	<u>912,678</u>	<u>806,262</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>1,449</u>
OPERATING SURPLUS BEFORE OTHER ITEMS	194,411	148,512	1,693	886	4,182	245	7,006	7,653
Other items (note 8)	(65,837)	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENSES	128,574	148,514	1,693	886	4,182	245	7,006	7,653
Fund balances, beginning of year	8,438	(140,076)	26,653	21,924	112,360	570	161,507	153,854
FUND BALANCES, END OF YEAR	<u>137,012</u>	<u>8,438</u>	<u>28,346</u>	<u>22,810</u>	<u>116,542</u>	<u>815</u>	<u>168,513</u>	<u>161,507</u>

The accompanying notes are an integral part of these financial statements.

ONTARIO LIBRARY ASSOCIATION

GENERAL FUND - SCHEDULE OF REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 1999

	OPERATING ACTIVITIES	CONFERENCE	CONTINUING EDUCATION	SALES MATERIALS	TOTALS
	\$	\$	\$	\$	1999 \$
					1998 \$
Revenues					
Membership fees	211,730				222,210
Contract administration	285,460				204,600
Registration fees		332,323	108,163		440,486
Publications & materials				103,283	103,283
Government grant (note 6)	35,800				35,800
Advertising & fund raising	4,753				4,753
Contributions (note 3)	7,489	15,761	2,327		25,577
	<u>545,232</u>	<u>348,084</u>	<u>110,490</u>	<u>103,283</u>	<u>1,107,089</u>
					<u>954,776</u>
Expenses					
Salaries & benefits	253,095				230,243
Honoraria & awards	10,571	27,632	4,862		43,065
Catering	4,652	49,079	23,212		76,943
Purchased services & materials	20,133	26,685	13,497	53,275	113,590
Travel, lodging & meals	30,605	20,159	3,780		54,544
Space rental & maintenance	44,743	12,899	8,211		65,853
Printing	26,904	9,292	8,988	14,460	59,644
Equipment rental & maintenance	17,850	25,967	9,313		53,130
Delivery	32,527	12,823	8,182	3,178	56,710
Supplies	9,924	13,551	12,854	11,529	47,858
Telephone	13,171	4,059	3,768		20,998
Professional fees	25,926				25,926
Amortization	16,058				16,058
Bank charges & interest	11,558				11,558
Organizational retreat	13,706				13,706
Legal support					4,000
	<u>531,423</u>	<u>202,146</u>	<u>95,667</u>	<u>82,442</u>	<u>912,678</u>
					<u>806,262</u>
Excess of Revenue over Expenses	<u>13,809</u>	<u>145,938</u>	<u>13,823</u>	<u>20,841</u>	<u>194,411</u>
					<u>148,514</u>

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

1. Status and nature of activities

The Ontario Library Association is incorporated without share capital under the laws of the Province of Ontario and qualifies as a non-profit organization under provisions of the Income Tax Act (Canada). Its purpose is to defend the democratic right of all individuals to free and equal access to information and to encourage the development and improvement of library services and programs throughout Ontario.

2. Fund accounting

The general fund accounts for current operations and programs as well as the Association's administrative activities.

The Elizabeth Ann Cummings Memorial Lecture Fund accounts for a lecture event to advance the library profession. Restricted contributions and expenses for this purpose are reported in this fund.

The Margaret Scott Memorial Fund accounts for scholarships awarded to librarians for their attendance at continuing education, networking events and research. Restricted contributions and expenses for this purpose are reported in this fund.

The Grace Buller Scholarship Fund accounts for scholarships awarded to Ontario residents that would lead to the improvement of library services to special interest groups. Restricted contributions and expenses for this purpose are reported in this fund.

The Legal Defence Fund accounts for assistance provided to Ontario's libraries to obtain legal counsel on issues threatening programs and services in the province. Restricted contributions and expenses for this purpose are reported in this fund.

3. Significant accounting policies

Revenue recognition

The Association follows the fund accounting method in which externally restricted contributions are recognized when they are received in the fund corresponding to the purpose for which they were donated. Unrestricted contributions and restricted contributions for the reduction of the deficit - \$578 (1998 - \$2,699) are recognized in the general fund when received.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1999

3. Significant accounting policies (continued)

Revenue recognition

The Ontario operating grant is recognized as revenue of the general fund on the basis of the number of months of the Ontario Government's fiscal year falling within the Association's fiscal period. Other special purpose grants are applied against the related expense when the expenditures to which they relate have been incurred.

Membership fees, registration fees, contract administration fees and the sale of publications and materials are recognized as revenue of the general fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Inventory

Inventory is comprised of publications and items for resale and is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out basis.

Capital assets

Purchased capital assets are carried at the lower of cost less accumulated amortization and the estimated net recoverable amount in the general fund. Contributed capital assets are recorded in the general fund at management's estimate of fair value at the date of contribution. Amortization is provided over the related assets' estimated useful lives, using the following methods and annual rates:

Computer equipment & software	20% declining method
Office furniture & equipment	20% declining method
Leasehold improvements	Straight-line over the term of the lease

Contributed services

The Association would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1999

4. Interfund loans

Interfund loans bear interest at the bank prime rate plus 1% and are not governed by terms of repayment.

5. Capital assets

	Cost	Accumulated amortization	Net book value 1999	Net book value 1998
	\$	\$	\$	\$
Office furniture & equipment	62,354	49,219	13,135	16,192
Computer equipment & software	155,933	110,648	45,285	44,416
Leasehold improvements	5,085	2,906	2,179	3,632
	<u>223,372</u>	<u>162,773</u>	<u>60,599</u>	<u>64,240</u>

6. Long-term investments

	Effective Yield	Cost including Accrued Interest	Market Value
Long-term investments consist of:			
Province of Ontario - stripped coupon bond, Due February 7, 2016	5.76%	\$52,607	\$43,661
Ontario Hydro - stripped coupon bond, Due April 15, 2005	5.03%	<u>\$26,132</u>	\$24,170
		<u>\$78,739</u>	

Temporary fluctuations in market value have not been recognized, as the effective yield will be realized on the bonds held to maturity.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999

7. Deferred revenue

The deferred portion of the operating grant which is recorded in the general fund represents funding to cover the operating expenses of the Association for three months subsequent to year end. The following summarizes Ontario grant transactions for the period:

	<u>1999</u>	<u>1998</u>
	\$	\$
Balance, beginning of year	8,950	8,950
Add: operating grant received	35,800	35,800
Less: amount recognized as revenue in the year	<u>(35,800)</u>	<u>(35,800)</u>
Balance, end of year	<u>8,950</u>	<u>8,950</u>

Deferred conference revenue represents registration fees collected during the current fiscal year for the association's super conference held subsequent to year end - \$326,311 (1998 - \$193,559).

Deferred contract revenue represents the net of expenditures incurred in project management against recoveries received for projects continuing subsequent to year end - \$NIL (1998 - \$17,150).

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1999

8. Other items

	1999	1998
	\$	\$
OFA Contribution		
As a result of negotiations, the Ontario Film Association / Association For The Advancement of Visual Media dissolved and became part of OLA, contributing its remaining funds amounting to \$11,308.	11,308	-
Additional executive compensation	(77,145)	-
During the year, the Board of Directors passed a resolution, awarding additional compensation on an ex gratia basis to the Executive Director. The award, amounting to \$77,145 (including imputed interest of \$15,000) recognized the reduced level of remuneration sacrificed by the Executive Director in previous years; of the total, \$32,280 has been paid during 1999 and the balance will be paid in 2000.		
	<u>(65,837)</u>	-

9. Lease commitment

The association leases its office premises and is committed to the following minimum annual rental payments for the year ending December 31:

2000	12,240
2001	8,250