

Financial Statements of

ONTARIO LIBRARY ASSOCIATION

Year Ended December 31, 2000

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, 2000 and the statement 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, 2000, 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 Innes Harris & Chong LLP

C H A R T E R E D A C C O U N T A N T S

Toronto, Ontario
April 15, 2001

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2000

	GENERAL RESTRICTED		TOTALS	
	FUND	FUNDS	2000	1999
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and equivalents	315,335	22	315,357	330,812
Accounts receivable	327,922	-	327,922	288,207
Inventory	42,871	-	42,871	24,974
Prepaid expenses - conference	57,482	-	57,482	90,326
- contract	129,982	-	129,982	42,803
- other	17,566	-	17,566	9,502
	891,158	22	891,180	786,624
Due from general fund (note 4)	-	62,970	62,970	89,752
Capital Assets (note 5)	92,806	-	92,806	60,599
Long-term investments (note 6)	-	83,077	83,077	78,739
	983,964	146,069	1,130,033	1,015,714
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	325,654	-	325,654	285,176
Deferred revenue - grant (note 7)	8,950	-	8,950	8,950
- conference (note 7)	344,730	-	344,730	326,311
	679,334	-	679,334	620,437
Due to restricted funds (note 4)	62,970	-	62,970	89,752
	742,304	-	742,304	710,189
FUND BALANCES				
Unrestricted	241,660	-	241,660	137,012
Internally restricted	-	146,069	146,069	168,513
	241,660	146,069	387,729	305,525
	983,964	146,069	1,130,033	1,015,714

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, 2000

	GENERAL FUND		RESTRICTED FUNDS				TOTAL	
	2000	1999	CUMMINGS	SCOTT	BULLER	LEGAL DEFENCE		2000
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES								
General (schedule)	1,162,352	1,081,512						
Contributions	34,113	25,577	4,249	186	153	254	4,842	869
Interest (note 4)	-	-	733	836	4,397	-	5,966	6,141
	<u>1,196,465</u>	<u>1,107,089</u>	<u>4,982</u>	<u>1,022</u>	<u>4,550</u>	<u>254</u>	<u>10,808</u>	<u>7,010</u>
EXPENSES								
General (schedule)	1,091,817	912,678	33,252	-	-	-	33,252	4
	<u>1,091,817</u>	<u>912,678</u>	<u>33,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,252</u>	<u>4</u>
OPERATING SURPLUS (DEFICIT)								
BEFORE OTHER ITEMS	104,648	194,411	(28,270)	1,022	4,550	254	(22,444)	7,006
Other items (note 8)	-	(65,837)	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENSES	104,648	128,574	(28,270)	1,022	4,550	254	(22,444)	7,006
Fund balances, beginning of year	137,012	8,438	28,346	22,810	116,542	815	168,513	161,507
FUND BALANCES, END OF YEAR	<u>241,660</u>	<u>137,012</u>	<u>76</u>	<u>23,832</u>	<u>121,092</u>	<u>1,069</u>	<u>146,069</u>	<u>168,513</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, 2000**

	OPERATING ACTIVITIES	CONFERENCE	CONTINUING EDUCATION	SALES MATERIALS	TOTALS
	\$	\$	\$	\$	1999 \$
Revenues					
Membership fees	230,359	-	-	-	230,359
Contract administration	274,351	-	-	-	274,351
Registrations fees	-	447,215	94,445	-	541,660
Publications & materials	-	5,210	-	72,022	77,232
Government grant (note 6)	35,800	-	-	-	35,800
Advertising & fund raising	2,950	-	-	-	2,950
Contributions (note 3)	8,989	22,797	2,327	-	34,113
	552,449	475,222	96,772	72,022	1,196,465
					1,107,089
Expenses					
Salaries & benefits	312,415	-	-	-	312,415
Honoraria & awards	5,295	26,642	10,047	-	41,984
Catering	6,278	50,417	25,918	-	82,613
Purchased services & materials	21,857	49,563	14,445	8,348	94,213
Travel, lodging & meals	42,269	31,599	9,943	-	83,811
Space rental & maintenance	47,329	50,560	11,250	-	109,139
Printing	19,371	17,590	12,554	8,681	58,196
Equipment rental & maintenance	31,760	33,304	7,031	-	72,095
Delivery	29,457	13,819	13,982	2,585	59,843
Supplies	12,080	18,458	13,272	9,541	53,351
Telephone	18,580	3,405	4,220	-	26,205
Professional fees	36,746	-	-	-	36,746
Amortization	24,473	-	-	-	24,473
Bank charges & interest	9,346	-	-	-	9,346
Organizational retreat	(112)	-	-	-	(112)
Commission	11,546	15,953	-	-	27,499
	628,690	311,310	122,662	29,155	1,091,817
					912,678
Excess of Revenue over Expenses	(76,241)	163,912	(25,890)	42,867	104,648
					194,411

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2000

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 (1999 - \$2,699) are recognized in the general fund when received.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2000

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, 2000

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 2000	Net book value 1999
	\$	\$	\$	\$
Office furniture & equipment	64,281	52,231	12,050	13,135
Computer equipment & software	189,262	126,371	62,891	45,285
Leasehold improvements	26,509	8,644	17,865	2,179
	<u>280,052</u>	<u>187,246</u>	<u>92,806</u>	<u>60,599</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%	\$55,632	\$49,805
Ontario Hydro - stripped coupon bond, Due April 15, 2005	5.03%	<u>\$27,445</u>	\$26,741
		<u>\$83,077</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, 2000

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:

	2000	1999
	\$	\$
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 - \$344,730 (1999 - \$326,311).

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2000

8. Other items

	2000	1999
	\$	\$
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 was paid during 1999 and the balance 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:

2001	24,201
2002	26,302
2003	31,832
2004	35,420
2005	38,930
2006	24,038