

Financial Statements of

**ONTARIO
LIBRARY ASSOCIATION**

Year Ended December 31, 2001

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, 2001 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the organization's board of directors. 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 our opinion, these financial statements present fairly, in all material respects, the financial position of Ontario Library Association as at December 31, 2001, as well as its operating results and the changes in its fund balances for the year then ended in accordance with Canadian generally accepted accounting principles.

Braithwaite Innes Harris & Chong LLP

CHARTERED ACCOUNTANTS

Toronto, Ontario
April 15, 2002

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2001

	GENERAL FUND	RESTRICTED FUNDS	TOTALS	
	\$	\$	2001	2000
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and equivalents	141,740	22	141,762	315,357
Accounts receivable	883,106	-	883,106	327,922
Inventory (note 3)	73,871	-	73,871	42,871
Prepaid expenses - conference	108,718	-	108,718	57,482
- contract	-	-	-	129,982
- other	35,772	-	35,772	17,566
	1,243,207	22	1,243,229	891,180
Due from general fund (note 4)	-	14,015	14,015	62,970
Capital Assets (notes 3, 5)	93,856	-	93,856	92,806
Long-term investments	-	-	-	83,077
	1,337,063	14,037	1,351,100	1,130,033
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	471,254	-	471,254	325,654
Deferred revenue - grant (note 6)	8,950	-	8,950	8,950
- contract	80,595	-	80,595	-
- conference (note 6)	360,530	-	360,530	344,730
	921,329	-	921,329	679,334
Due to restricted funds (note 4)	14,015	-	14,015	62,970
	935,344	-	935,344	742,304
FUND BALANCES				
Unrestricted	401,719	-	401,719	241,660
Internally restricted	-	14,037	14,037	146,069
	401,719	14,037	415,756	387,729
	1,337,063	14,037	1,351,100	1,130,033

APPROVED ON BEHALF OF THE BOARD:

Cathi Gibson-Mates Director

[Signature] 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, 2001**

	GENERAL FUND		RESTRICTED FUNDS				TOTAL	
	2001	2000	CUMMINGS	SCOTT	BULLER	LEGAL DEFENCE		2001
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES								
General (schedule)	1,596,377	1,162,352						
Contributions	87,169	34,113	759	157	145	72	1,133	4,842
Interest (note 4)	-	-	(1)	(217)	(987)	-	(1,205)	5,966
	1,683,546	1,196,465	758	(60)	(842)	72	(72)	10,808
EXPENSES								
General (schedule)	1,523,487	1,091,817	1,960	-	130,000	-	131,960	33,252
	1,523,487	1,091,817	1,960	-	130,000	-	131,960	33,252
OPERATING SURPLUS (DEFICIT) BEFORE OTHER ITEMS	160,059	104,648	(1,202)	(60)	(130,842)	72	(132,032)	(22,444)
Fund balances, beginning of year	241,660	137,012	76	23,832	121,092	1,069	146,069	168,513
	401,719	241,660	(1,126)	23,772	(9,750)	1,141	14,037	146,069
Inter Fund Transfers (Note 3)	-	-	1,126	-	15	(1,141)	-	-
FUND BALANCES, END OF YEAR	401,719	241,660	-	23,772	(9,735)	-	14,037	146,069

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, 2001**

	OPERATING ACTIVITIES	CONFERENCE	CONTINUING EDUCATION	SALES MATERIALS	TOTALS 2001	TOTALS 2000
	\$	\$	\$	\$	\$	\$
REVENUES						
Membership fees	248,495	-	-	-	248,495	230,359
Contract administration	229,399	-	-	-	229,399	274,351
Registration fees	-	533,121	82,704	-	615,825	541,660
Publications & materials	-	54	-	466,004	466,058	77,232
Government grant (note 6)	35,800	-	-	-	35,800	35,800
Advertising & fund raising	800	-	-	-	800	2,950
Contributions (note 3)	10,328	73,973	2,868	-	87,169	34,113
	<u>524,822</u>	<u>607,148</u>	<u>85,572</u>	<u>466,004</u>	<u>1,683,546</u>	<u>1,196,465</u>

EXPENSES						
Salaries & benefits	313,770	-	-	-	313,770	312,415
Honoraria & awards	6,712	22,877	25,847	-	55,436	41,984
Catering	10,353	73,109	29,579	-	113,041	82,613
Purchased services & materials	24,396	46,916	6,144	200,580	278,036	94,213
Travel, lodging & meals	36,854	50,987	16,046	1,519	105,406	83,811
Space rental & maintenance	68,283	52,631	7,691	4,808	133,413	109,139
Printing	25,515	21,441	19,117	14,487	80,560	58,196
Equipment rental & maintenance	27,737	51,935	4,642	904	85,218	72,095
Delivery	33,084	9,520	14,942	13,272	70,818	59,843
Supplies	15,280	30,457	8,485	27,483	81,705	53,351
Telephone	17,654	3,917	2,943	-	24,514	26,205
Professional fees	37,638	-	-	-	37,638	36,746
Amortization	25,360	-	-	-	25,360	24,473
Bank charges, interest, foreign exchange	9,228	-	-	-	9,228	9,346
Organization retreat	-	-	-	-	-	(112)
Commission and contract	32,880	32,763	-	43,701	109,344	27,499
	<u>684,744</u>	<u>396,553</u>	<u>135,436</u>	<u>306,754</u>	<u>1,523,487</u>	<u>1,091,817</u>

EXCESS OF REVENUE OVER EXPENSES (159,922) 210,595 (49,864) 159,250 160,059 104,648

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

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.

The trustees have adopted a resolution transferring from the Legal Defence Fund an amount of \$1,126 to the Elizabeth Ann Cummings Memorial Lecture Fund and \$15 to the Grace Buller Scholarship Fund.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

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.

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.

4. Interfund loans

Interfund loans bear interest at the bank prime rate plus 1% and have no specific terms of repayment.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2001

5. Capital assets

	Cost	Accumulated amortization	Net book value 2001	Net book value 2000
	\$	\$	\$	\$
Office furniture & equipment	74,173	56,619	17,554	12,050
Computer equipment & software	204,179	141,933	62,246	62,891
Leasehold improvements	28,112	14,056	14,056	17,865
	<u>306,464</u>	<u>212,608</u>	<u>93,856</u>	<u>92,806</u>

6. 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:

	2001	2000
	\$	\$
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 - \$360,530 (2000 - \$344,730).

7. Lease commitment

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

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