

Financial Statements of
**ONTARIO LIBRARY
ASSOCIATION**

Year Ended December 31, 2007

FINANCIAL STATEMENT INDEX

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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, 2007 and the statements of general fund operations and changes in fund balance and restricted fund operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Association'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, 2007, as well as its operating results and changes in its fund balances for the year then ended in accordance with Canadian generally accepted accounting principles.

Harris & Chong LLP

HARRIS & CHONG LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
May 9, 2008

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2007

	GENERAL FUND \$	RESTRICTED FUNDS \$	TOTAL 2007 \$	TOTAL 2006 \$
ASSETS				
Current Assets				
Cash and equivalents	1,290,810	-	1,290,810	8,549,517
Accounts receivable	759,158	-	759,158	832,290
Due from Knowledge Ontario (Note 4)	29,023	-	29,023	-
Inventory (Note 2)	68,785	-	68,785	93,622
Prepaid expenses - conference	129,927	-	129,927	88,493
- contract	-	-	-	106,127
- other	34,369	-	34,369	34,976
	2,312,072	-	2,312,072	9,705,025
Due from general fund	-	7,218	7,218	4,240
Capital assets (Notes 2, 3)	105,965	-	105,965	103,910
Long-term investments	-	106,903	106,903	103,036
	2,418,037	114,121	2,532,158	9,916,211

APPROVED ON BEHALF OF THE BOARD:

Director

Director

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

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2007

	GENERAL FUND \$	RESTRICTED FUNDS \$	TOTAL 2007 \$	TOTAL 2006 \$
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	430,942	-	430,942	467,405
Due to Knowledge Ontario (Note 4)	-	-	-	7,806,769
Due to CELPLO	760,261	-	760,261	431,004
Deferred revenue (Note 5)				-
- grant	32,521	-	32,521	8,950
- conference	444,880	-	444,880	517,502
	1,668,604	-	1,668,604	9,231,630
Due to restricted funds	7,218	-	7,218	4,240
	1,675,822	-	1,675,822	9,235,870
FUND BALANCES				
General Fund	742,215	-	742,215	573,065
Restricted Funds	-	114,121	114,121	107,276
	742,215	114,121	856,336	680,341
	2,418,037	114,121	2,532,158	9,916,211

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

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF GENERAL FUND OPERATIONS AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2007

	2007	2006
	\$	\$
REVENUES (schedule)	2,580,558	2,670,483
EXPENSES (schedule)	2,411,408	2,550,886
EXCESS OF REVENUES OVER EXPENSES	169,150	119,597
Balance, beginning of year	573,065	453,468
BALANCE, END OF YEAR	742,215	573,065

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

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF RESTRICTED FUND OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2007

	\$	SCOTT	BULLER	BAKER	SPECIAL	LARRY MOORE FUND	AFRICA PROJECT	FLEMING FUND	TOTAL 2007	TOTAL 2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
Contributions	50	45	30	-	300	3,899	980	5,304	48,269	
Interest	948	21	1,616	36	474	286	160	3,541	4,583	
	998	66	1,646	36	774	4,185	1,140	8,845	52,852	
EXPENSES										
Disbursements	-	-	2,000	-	-	-	-	2,000	43,217	
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUE)	998	66	(354)	36	774	4,185	1,140	6,845	9,637	
Balance, beginning of year	29,137	612	50,722	1,082	14,431	6,836	4,456	107,276	97,639	
BALANCE, END OF YEAR	30,135	678	50,368	1,118	15,205	11,021	5,596	114,121	107,276	

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

ONTARIO LIBRARY ASSOCIATION

**SCHEDULE OF REVENUES AND EXPENSES – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007**

	Operating Activities	Conference	Continuing Education	Sales Materials	Special Projects	Total 2007	Total 2006
	\$	\$	\$	\$	\$	\$	\$
REVENUES							
Membership	320,256	-	-	-	-	320,256	290,529
Contract administration	158,472	-	-	-	-	158,472	133,763
Registration fees	-	864,413	141,893	-	186,886	1,193,192	1,140,808
Publications & materials	-	-	-	839,661	-	839,661	968,620
Government grant (Note 4)	24,042	-	-	-	-	24,042	47,161
Advertising & fund raising	-	2,950	3,298	-	-	6,248	8,555
Contributions (Note 2)	771	81,120	2,001	-	-	83,892	81,047
	503,541	948,483	147,192	839,661	186,886	2,625,763	2,670,483
EXPENSES							
Salaries & benefits	626,700	-	18,591	-	-	645,291	632,812
Honoraria & awards	6,343	55,530	51,497	-	7,454	120,824	146,211
Catering	6,625	83,502	448	-	17,759	108,334	127,068
Purchased services & materials	21,707	56,298	35,547	534,008	52,800	700,360	735,870
Travel, lodging & meals	41,531	52,786	1,546	1,717	45,039	142,619	149,700
Space rental & maintenance	115,278	95,651	-	-	(3,173)	207,756	202,314
Printing	34,774	18,230	16,713	9,362	53,243	132,322	93,154
Equipment rental & maintenance	24,657	51,643	-	287	98	76,685	96,032
Delivery	38,589	9,630	4,830	25,003	3,785	81,837	109,247
Supplies	11,413	14,588	438	-	35,422	61,861	34,218
Telephone	15,090	1,157	41,477	376	7,012	65,112	73,724
Professional fees	36,735	-	-	-	-	36,735	38,054
Amortization	26,493	-	-	-	-	26,493	25,979
Bank charges, interest, foreign exchange	(4,830)	-	-	2,022	-	(2,808)	(22,194)
Commission and contract expenses	(28,016)	28,016	-	32,771	20,421	53,192	108,697
	973,089	467,031	171,087	605,546	239,860	2,456,613	2,550,886
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	(469,548)	481,452	(23,895)	234,115	(52,974)	169,150	119,597

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

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

1. Status and nature of activities

The Ontario Library Association (“OLA”) is incorporated without share capital under the laws of the Province of Ontario and qualifies as a non-profit organization and is registered as a charity under 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. Significant accounting policies

Fund accounting

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

The General Fund accounts for current operations and programs as well as the Association’s administrative activities.

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 OLA Janette May Baker Scholarship Fund accounts for scholarships awarded to individuals with previous work experience to attend recognized library and information science programs. Restricted contributions and expenses for this purpose are reported in this fund.

The Special Fund exists to allow members the opportunity, for a limited time, to support libraries that have suffered misfortune or disaster. The decision to create the Fund is subject to Executive or Board approval.

The Larry Moore Fund was established to honour the Executive Director of the Ontario Library Association on his twentieth anniversary in the position. The ends to which the funds will be directed are to be determined by Larry Moore and a committee of his choice, and ratified by the OLA Board of Directors.

The OLA Africa Project Fund was established to provide programs, services and structures that will lead to the improvement of children’s lives in Africa.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

2. Significant accounting policies (continued)

Fund accounting

The Marjorie Fleming Fund has been established to honour the mentors who have made OLA members the professionals that they are and to fund mentoring projects in the library community.

Revenue recognition

The Ontario Ministry of Culture 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.

Revenue collected during the fiscal year in advance of the Super Conference held in the following year is deferred.

Investments

Investments are carried at amortized cost plus accrued interest, which approximates market value.

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. Amortization is provided over the related assets' estimated useful lives, using the methods and annual rates appearing below.

Computer equipment & software	20% declining method
Office furniture & equipment	20% declining method

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

2. Significant accounting policies (continued)

Contributed services

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

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

3. Capital assets

	Cost \$	Accumulated Amortization \$	2007 Net Book Value \$	2006 Net Book Value \$
Office furniture & equipment	129,509	89,572	39,937	36,243
Computer equipment & software	310,133	244,105	66,028	67,667
	439,642	333,677	105,965	103,910

4. Knowledge Ontario

During 2007, the Association and the recently incorporated Knowledge Ontario reconciled their outstanding account. On June 14, 2007, OLA transferred the outstanding balance of funds from the original grants of \$700,000 (2006) and \$8,000,000 (2007). The amount of interest agreed to in settling the account has been provided for in the accounts.

6. Contractual commitments

The Association is committed to a lease for premises occupied until July 31, 2013 at varying amounts ranging from approximately \$48,500 to \$79,900 annually. The Association has the option to renew for a further seven year period.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

7. Changes in financial position

A statement of cash flows has not been prepared, as it would not provide any additional meaningful information.