

Financial Statements of
**ONTARIO LIBRARY
ASSOCIATION**

Year Ended December 31, 2008

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, 2008 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, 2008, 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 5, 2009

ONTARIO LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2008

	GENERAL FUND \$	RESTRICTED FUNDS \$	TOTAL 2008 \$	TOTAL 2007 \$
ASSETS				
Current Assets				
Cash and equivalents	635,764	-	635,764	1,290,810
Accounts receivable	677,436	-	677,436	759,158
Loan receivable (Note 3)	70,000	-	70,000	-
Due from Knowledge Ontario	-	-	-	29,023
Inventory (Note 2)	62,898	-	62,898	68,785
Prepaid expenses - conference	247,240	-	247,240	129,927
- other	34,369	-	34,369	34,369
	1,727,707	-	1,727,707	2,312,072
Due from general fund	-	16,263	16,263	7,218
Capital assets (Notes 2, 4)	115,081	-	115,081	105,965
Investments (Note 5)	1,395,811	115,578	1,511,389	106,903
	3,238,599	131,841	3,370,440	2,532,158

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, 2008

	GENERAL FUND \$	RESTRICTED FUNDS \$	TOTAL 2008 \$	TOTAL 2007 \$
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	776,420	-	776,420	430,942
Due to Knowledge Ontario (Note 4)	295	-	295	-
Due to CELPLO	651,615	-	651,615	760,261
Due to OHLA	1,804	-	1,804	-
Liability to Access Conference	2,999	-	2,999	-
Deferred revenue (Note 2)				
- grant	8,950	-	8,950	32,521
- contract	162,500	-	162,500	-
- conference	762,020	-	762,020	444,880
	2,366,603	-	2,366,603	1,668,604
Due to restricted funds	16,263	-	16,263	7,218
	2,382,866	-	2,382,866	1,675,822
FUND BALANCES				
General Fund	855,733	-	855,733	742,215
Restricted Funds	-	131,841	131,841	114,121
	855,733	131,841	987,574	856,336
	3,238,599	131,841	3,370,440	2,532,158

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, 2008

	2008	2007
	\$	\$
REVENUES (schedule)	2,807,536	2,580,558
EXPENSES (schedule)	2,694,018	2,411,408
EXCESS OF REVENUES OVER EXPENSES	113,518	169,150
Balance, beginning of year	742,215	573,065
BALANCE, END OF YEAR	855,733	742,215

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, 2008

	SCOTT FUND	BULLER FUND	BAKER FUND	SPECIAL FUND	LARRY MOORE FUND	AFRICA PROJECT	FLEMING FUND	TOTAL 2008	TOTAL 2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES									
Contributions	877	90	10	-	13,736	1,753	-	16,466	5,304
Interest	994	23	1,637	36	762	387	182	4,021	3,541
	1,871	113	1,647	36	14,498	2,140	182	20,487	8,845
EXPENSES									
Disbursements	-	-	-	-	2,767	-	-	2,767	2,000
EXCESS OF REVENUES OVER EXPENSES	1,871	113	1,647	36	11,731	2,140	182	17,720	6,845
Balance, beginning of year	30,135	678	50,368	1,118	15,205	11,021	5,596	114,121	107,276
BALANCE, END OF YEAR	32,006	791	52,015	1,154	26,936	13,161	5,778	131,841	114,121

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, 2008

	Operating Activities \$	Conference \$	Continuing Education \$	Sales Materials \$	Special Projects \$	Total 2008 \$	Total 2007 \$
REVENUES							
Membership	322,085	-	-	-	-	322,085	320,256
Contract administration	145,620	-	-	-	-	145,620	158,472
Registration fees	-	923,457	150,260	-	203,320	1,277,037	1,193,192
Publications & materials	-	-	-	860,950	-	860,950	839,661
Government grants	78,610	-	-	-	-	78,610	35,800
Advertising & fund raising	-	-	12,610	-	-	12,610	6,248
Contributions (Note 2)	585	110,039	-	-	-	110,624	83,892
	546,900	1,033,496	162,870	860,950	203,320	2,807,536	2,637,521
EXPENSES							
Salaries & benefits	682,047	-	-	-	-	682,047	645,291
Honoraria & awards	43,853	71,288	50,308	120	39,665	205,234	120,824
Catering	8,847	111,717	8,116	-	21,234	149,914	108,334
Purchased services & materials	29,563	22,627	48,080	498,835	52,357	651,461	712,118
Travel, lodging & meals	51,305	82,340	1,944	2,773	38,406	176,768	142,619
Space rental & maintenance	106,566	109,392	2,072	-	6,538	224,569	207,756
Printing	58,589	27,917	9,322	11,251	7,741	114,820	132,322
Equipment rental & maintenance	32,943	64,144	-	1,477	513	99,077	76,685
Delivery	32,457	10,582	2,134	33,827	22,277	101,277	81,837
Supplies	16,683	23,067	1,707	-	14,563	56,020	61,861
Telephone	22,536	740	30,347	159	5,438	59,220	65,112
Professional fees	31,226	-	-	-	-	31,226	36,735
Amortization	28,770	-	-	-	-	28,770	26,493
Bank charges, interest, foreign exchange	11,817	-	-	(92)	-	11,725	(2,808)
Commission and contract expenses	14,516	53,046	-	25,264	9,064	101,890	53,192
	1,171,718	576,860	154,030	573,614	217,796	2,694,018	2,468,371
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUE)	(624,818)	456,636	8,840	287,336	(14,476)	113,518	169,150

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

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

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 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 a Jury appointed by the OLA board as described in the terms of reference ratified by the OLA Board of Directors in 2008.

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, 2008

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 of \$35,800 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 purchased to be held to maturity, and accordingly are carried at amortized cost plus accrued interest, calculated using the effective interest rate method.

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, 2008

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. Loan receivable

The loan, secured, was repaid in full, with interest in April 2009.

4. Capital assets

	Cost \$	Accumulated Amortization \$	2008 Net Book Value \$	2007 Net Book Value \$
Office furniture & equipment	129,677	97,593	32,084	39,937
Computer equipment & software	347,852	264,855	82,997	66,028
	477,529	362,448	115,081	105,965

5. Investments

Investments consist of Canadian chartered bank guaranteed investment certificates, maturing in 2009. Interest, earned at rates ranging from 1.51% to 3.30%, is generally paid at maturity.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

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.

7. Financial instruments

The corporation's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities.

Unless otherwise noted, it is the Board's opinion that the corporation is not exposed to material interest or credit risks arising from its financial instruments, and that the fair values of its financial instruments approximate their carrying value.

8. Changes in financial position

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

9. Comparative figures

Certain of the prior year figures have been reclassified to conform with the reporting format used in the current year.