

Financial Statements of
**ONTARIO LIBRARY
ASSOCIATION**

Year Ended December 31, 2010

FINANCIAL STATEMENT INDEX

	Page
Independent Auditor's Report	1
Statement of Financial Position	2, 3
Statement of General Fund Operations and Changes in Fund Balance	4
Statement of Restricted Fund Operations and Changes in Fund Balances	5
Schedule of Revenues and Expenses – General Fund	6
Notes to Financial Statements	7 - 10

INDEPENDENT AUDITOR'S REPORT

To the Members of
Ontario Library Association

We have audited the accompanying financial statements of Ontario Library Association, which comprise the statement of financial position as at December 31, 2010, and the statements of general fund operations and changes in fund balance and restricted fund operations and changes in fund balance for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Library Association as at December 31, 2010, and its financial performance for the year then ended in accordance with Canadian Accounting Standards.

Harris & Chong LLP

HARRIS & CHONG LLP
Chartered Accountants
Licensed Public Accountants

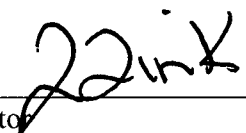
Toronto, Ontario
May 18, 2011

ONTARIO LIBRARY ASSOCIATION

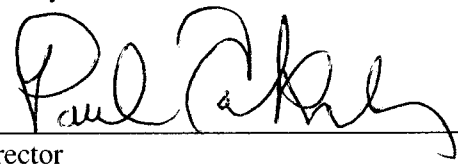
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2010

	GENERAL FUND \$	RESTRICTED FUNDS \$	TOTAL 2010 \$	TOTAL 2009 \$ (Note 9)
ASSETS				
Current Assets				
Cash and equivalents	1,296,112	-	1,296,112	1,114,622
Accounts receivable	1,074,640	-	1,074,640	574,372
Due from Knowledge Ontario	2,155	-	2,155	1,893
Inventory (Note 2)	73,633	-	73,633	52,934
Prepaid expenses - conference (Note 6)	47,946	-	47,946	140,102
- other	21,594	-	21,594	21,594
	2,516,080	-	2,516,080	1,905,517
Due from general fund	-	13,449	13,449	15,685
Capital assets (Notes 2, 3)	98,944	-	98,944	111,061
Investments (Note 4)	630,621	124,951	755,572	816,164
	3,245,645	138,400	3,384,045	2,848,427

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, 2010

	GENERAL FUND \$	RESTRICTED FUNDS \$	TOTAL 2010 \$	TOTAL 2009 \$ (Note 9)
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	736,508	-	736,508	762,568
Due to CELPLO	474,167	-	474,167	271,363
Due to OHLA	1,777	-	1,777	1,777
Deferred revenue (Note 2)				
- grant	8,950	-	8,950	8,950
- conference	847,027	-	847,027	600,977
	2,068,429	-	2,068,429	1,645,635
Due to restricted funds	13,449	-	13,449	15,685
	2,081,878	-	2,081,878	1,661,320
FUND BALANCES				
General Fund	1,163,767	-	1,163,767	1,049,728
Restricted Funds	-	138,400	138,400	137,379
	1,163,767	138,400	1,302,167	1,187,107
	3,245,645	138,400	3,384,045	2,848,427

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, 2010

	2010	2009
	\$	\$
		(Note 9)
REVENUES (schedule)	2,965,565	2,655,504
EXPENSES (schedule)	2,851,526	2,528,578
EXCESS OF REVENUES OVER EXPENSES	114,039	126,926
Balance, beginning of year		
As previously reported	930,159	855,733
Prior period adjustments (Note 6)	119,569	67,069
As restated	1,049,728	922,802
BALANCE, END OF YEAR	1,163,767	1,049,728

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, 2010**

	SCOTT FUND	BULLER FUND	BAKER FUND	SPECIAL FUND	LARRY MOORE FUND	AFRICA PROJECT	FLEMING FUND	TOTAL 2010	TOTAL 2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES									
Contributions	-	-	-	-	10	-	-	10	1,233
Interest	867	21	1,352	30	747	344	150	3,511	4,305
	867	21	1,352	30	757	344	150	3,521	5,538
EXPENSES									
Disbursements	-	-	-	-	2,500	-	-	2,500	-
EXCESS OF REVENUES OVER EXPENSES	867	21	1,352	30	(1,743)	344	150	1,021	5,538
Balance, beginning of year	33,249	817	53,705	1,192	28,709	13,741	5,966	137,379	131,841
BALANCE, END OF YEAR	34,116	838	55,057	1,222	26,966	14,085	6,116	138,400	137,379

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, 2010

	Operating Activities	Conference	Continuing Education	Sales Materials	Special Projects	Total 2010	Total 2009
	\$	\$	\$	\$	\$	\$	\$
(Note 6)							
REVENUES							(Note 9)
Membership	307,198	-	-	-	-	307,198	315,643
Contract administration	-	-	-	-	165,117	165,117	119,827
Registration fees	-	992,501	83,256	-	65,964	1,141,721	1,229,585
Publications & materials	-	-	-	688,839	143,209	832,048	729,570
Government grants	35,800	-	-	-	74,190	109,990	88,425
Advertising & fund raising	-	24,941	58,536	-	-	83,477	68,699
Contributions (Note 2)	3,548	86,478	1,625	-	92,472	184,123	81,472
Interest	18,109	-	-	-	-	18,109	22,283
Miscellaneous	122,032	-	1,750	-	-	123,782	-
	486,687	1,103,920	145,167	688,839	540,952	2,965,565	2,655,504
(Note 6)							
EXPENSES							
Salaries & benefits	791,912	-	-	-	-	791,912	708,856
Honoraria & awards	29,688	81,617	15,979	154	12,975	140,413	138,726
Catering	16,060	119,309	12,538	539	3,103	151,549	55,997
Purchased services & materials	21,740	68,495	24,064	350,676	180,353	645,328	577,499
Travel, lodging & meals	76,160	66,414	7,388	2,585	19,887	172,434	123,400
Space rental & maintenance	135,944	144,331	-	-	-	280,275	286,572
Printing	6,025	46,932	46,702	8,945	18,164	126,768	146,101
Equipment rental & maintenance	22,830	120,727	2,072	2,828	7,860	156,317	85,164
Delivery	8,877	19,629	4,077	31,007	6,020	69,610	83,939
Supplies	11,859	11,159	429	5,277	5,877	34,601	39,253
Telephone	10,713	1,259	8,659	288	2,168	23,087	29,612
Professional fees	20,672	-	-	-	-	20,672	29,096
Special projects	20,448	-	-	-	1,000	21,448	42,371
Amortization	25,290	-	-	-	-	25,290	27,765
Bank charges/credit card fees/foreign exchange	38,246	10,335	2,233	5,255	1,438	57,507	40,231
Commission and contract expenses	2,584	82,157	17,233	294	32,047	134,315	113,996
	1,239,048	772,364	141,374	407,848	290,892	2,851,526	2,528,578
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUE)	(752,361)	331,556	3,793	280,991	250,060	114,039	126,926

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

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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 the Association’s current operations, programs and administrative activities.

The Margaret Scott Memorial Fund accounts for scholarships awarded to librarians for their attendance at continuing education, networking events and research.

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.

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.

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 former 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, 2010

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
Leasehold improvements	20% straight-line method

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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 Accounting Standards 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 \$	2010 Net Book Value \$	2009 Net Book Value \$
Office furniture & equipment	134,490	110,629	23,861	28,279
Computer equipment & software	367,389	300,081	67,308	73,598
Leasehold improvements	12,569	4,793	7,776	9,184
	514,448	415,503	98,945	111,061

4. Investments

Investments consist of Canadian chartered bank guaranteed investment certificates and government of Canada bonds, maturing in 2011, 2012 and 2013. Interest, earned at rates ranging from 1.55% to 3.0%, is generally paid at maturity.

ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

5. 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.

6. Changes in accounting principles and prior period adjustments

As a result of the change in accounting principles in order to comply with Canadian Accounting Standards, the costs relating to the conference held in 2011 can no longer be deferred; the effect is to recognize these costs, amounting to \$176,320, in 2010 operating results.

The accumulated surplus balance has been restated to reflect the correction of prior year results, as follows:

2009	\$52,500	– Forestry of Reading Program grant
2008	\$79,844	– GST input tax credits allowed on re-assessment
2008	<u>(\$12,775)</u>	– publication expenses incorrectly carried as prepaid items
	<u>\$119,569</u>	

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 further meaningful information.

9. Comparative figures

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