

**CANADIAN LIBRARY ASSOCIATION
ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**

FINANCIAL STATEMENTS

DECEMBER 31, 2009

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PARKER PRINS LEBANO
Chartered Accountants
Professional Corporation

AUDITORS' REPORT

To the Members,

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES

We have audited the Statement Of Financial Position of the Canadian Library Association/Association canadienne des bibliothèques as at December 31, 2009 and the Statements Of Changes In Net Assets, Operations and Cash Flows 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 the Association as at December 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'Paul Prins Lebano'.

Parker Prins Lebano Chartered Accountants Professional Corporation
Authorized to practice public accounting by The Institute of Chartered Accountants of Ontario

Ottawa, Ontario
February 12, 2010

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	2009	2008
ASSETS		
CURRENT		
Cash	\$ 211,216	\$ 384,752
Short term investments	55,000	55,000
Accounts receivable	94,678	69,038
Inventories	31,035	26,258
Prepaid expenses	<u>139,703</u>	<u>118,255</u>
	531,632	653,303
INVESTMENTS	588,648	534,732
CAPITAL (note 3)	<u>32,033</u>	<u>33,547</u>
	<u>\$ 1,152,313</u>	<u>\$ 1,221,582</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 4)	\$ 252,861	\$ 306,334
DEFERRED CONTRIBUTIONS	<u>147,678</u>	<u>237,686</u>
	<u>400,539</u>	<u>544,020</u>
NET ASSETS		
Mary Elizabeth Allan Operating Fund	520,482	478,945
Special Purpose Funds (note 7)	282,474	283,695
Unrestricted	<u>(51,182)</u>	<u>(85,078)</u>
	<u>751,774</u>	<u>677,562</u>
	<u>\$ 1,152,313</u>	<u>\$ 1,221,582</u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2009

	2009	2008
NET ASSETS RESTRICTED TO MARY ELIZABETH ALLAN		
OPERATING FUND		
Balance, beginning of year	\$ 478,945	\$ 507,127
Gain (loss) on investments	<u>41,537</u>	<u>(28,182)</u>
Balance, end of year	<u>\$ 520,482</u>	<u>\$ 478,945</u>
NET ASSETS RESTRICTED TO SPECIAL PURPOSE FUNDS		
Balance, beginning of year	\$ 283,695	\$ 283,440
Transfer from unrestricted net assets	<u>(1,221)</u>	<u>255</u>
Balance, end of year	<u>\$ 282,474</u>	<u>\$ 283,695</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	\$ (85,078)	\$ (80,511)
Excess (deficiency) of revenue over expenses for the year	32,675	(4,312)
Transfer to net assets restricted to Special Purpose Funds	<u>1,221</u>	<u>(255)</u>
Balance, end of year	<u>\$ (51,182)</u>	<u>\$ (85,078)</u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
REVENUE		
Membership services	\$ 403,061	\$ 432,604
Conference and exhibits	624,324	569,957
Book sales	161,753	135,953
Feliciter and website	133,652	160,725
Investments and miscellaneous	12,960	31,374
Executive	9,016	10,186
Young Canada Works - Heritage Canada	381,884	372,592
Professional development	-	41,278
Special purpose funds and projects (note 7)	<u>16,181</u>	<u>54,546</u>
	<u>1,742,831</u>	<u>1,809,215</u>
EXPENSES		
Member services	89,404	139,388
Conference and exhibits	329,598	267,062
Book sales	123,383	107,083
Feliciter and website	177,322	173,015
Finance	108,711	104,569
Executive	530,714	569,821
Young Canada Works	381,884	372,592
Professional development	5,597	63,214
Recovery of administrative costs	(53,859)	(37,508)
Special purpose funds and projects (note 7)	<u>17,402</u>	<u>54,291</u>
	<u>1,710,156</u>	<u>1,813,527</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 32,675</u>	<u>\$ (4,312)</u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 32,675	\$ (4,312)
Items not requiring an outlay of cash:		
Amortization	8,623	21,401
Net change to non-cash items related to operations:		
Accounts receivable	(25,640)	(23,252)
Inventory	(4,777)	(1,708)
Prepaid expenses	(21,448)	(14,297)
Accounts payable and accrued liabilities	(53,473)	65,406
Deferred contributions	<u>(90,008)</u>	<u>(8,004)</u>
	<u>(154,048)</u>	<u>35,234</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Increase in investments	(12,379)	(2,374)
Acquisition of capital assets	<u>(7,109)</u>	<u>(949)</u>
	<u>(19,488)</u>	<u>(3,323)</u>
NET (DECREASE) INCREASE IN CASH POSITION	(173,536)	31,911
CASH POSITION, BEGINNING OF YEAR	<u>384,752</u>	<u>352,841</u>
CASH POSITION, END OF YEAR	<u><u>\$ 211,216</u></u>	<u><u>\$ 384,752</u></u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. THE ORGANIZATION

PURPOSE OF THE ORGANIZATION

The Canadian Library Association/Association canadienne des bibliothèques mission is to promote, develop and support library and information services in Canada, and the people who provide those services, by being a national advocate, public voice, educator and network for the Canadian library and information community. The Association is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

PURPOSE OF THE FUND

The Mary Elizabeth Allan Operating Fund represents a donation received in 1973 from the Estate of Mary Elizabeth Allan. This donation was bequeathed by Mrs. Allan to ensure the continuous work of the Canadian Library Association.

THE SPECIAL PURPOSE FUNDS have been established by groups of members, divisions and others for specific projects and purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

INVENTORY

Inventory is valued at the lower of average cost and net realizable value.

INVESTMENTS

Investments in mutual equities and bonds funds are recorded at market value.

AMORTIZATION

Amortization of capital assets, other than leasehold improvements and systems software, is calculated using the declining balance method. Amortization of leasehold improvements and systems software is calculated using the straight-line method. Amortization of other assets is calculated using the straight-line method. The rates are as follows:

Office furniture and equipment	20%
Computer hardware	30%
Computer software	20-100%
Leasehold improvements	5 years
Systems software	2 years

Amortization of additions to capital assets, other than systems software, is calculated at 50% of the rates reflected above in the year of acquisition.

REVENUE RECOGNITION

The Association follows the deferral method of accounting for contributions. Contributions are recognized as revenue as qualifying expenditures are incurred.

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2009

3. CAPITAL ASSETS

	<u>COST</u>	<u>ACCUMULATED AMORTIZATION</u>	<u>NET BOOK VALUE 2009</u>	<u>NET BOOK VALUE 2008</u>
Office equipment	\$ 48,655	\$ 39,352	\$ 9,303	\$ 11,629
Computer hardware	58,380	46,951	11,429	7,695
Computer software	54,883	43,582	11,301	14,126
Leaseholds	<u>50,375</u>	<u>50,375</u>	<u>-</u>	<u>97</u>
	<u>\$ 212,293</u>	<u>\$ 180,260</u>	<u>\$ 32,033</u>	<u>\$ 33,547</u>

Amortization expense of capital assets for 2009 is \$8,623 (2008 - \$21,401).

4. FUNDS HELD IN TRUST

The Canadian Library Association is a custodian of funds allocated to various Divisions and Interest Groups. These funds amount to \$146,551 as at December 31, 2009 (2008 - \$155,083) and are included in the accounts payable.

5. COMMITMENTS

The Association is committed to the leases of office facilities and equipment over the next five years as follows:

2010	\$ 61,083
2011	\$ 46,641
2012	\$ 45,646
2013	\$ 40,596
2014	\$ 36,542

6. FINANCIAL INSTRUMENTS

Financial instruments reflected in the statement of financial position consist of cash, investments, amounts receivable and amounts payable. The Association does not hold or issue financial instruments for trading purposes and does not hold or issue derivative financial instruments.

INTEREST RATE RISK

The Association is subject to cash flow risk with respect to its holdings of investments.

CONCENTRATION OF CREDIT RISK

The Association's exposure concentration of credit risk relates to project contributions receivable and customer receivables. The project contribution receivables are due from various government agencies.

FOREIGN EXCHANGE RISK

The Association incurs expenses denominated in foreign currencies and is exposed to risks from changes in foreign currency exchange rates. The Association does not currently hold any financial instruments that mitigate this risk.

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2009

7. SPECIAL PURPOSE FUNDS AND PROJECTS

	BALANCE OPENING	REVENUES	EXPENSES	BALANCE ENDING
Book Award Fund	\$ 42,251	\$ 3,959	\$ 4,629	\$ 41,581
Intellectual Freedom Fund	58,235	1,710	757	59,188
Research And Education Fund	32,745	714	1,000	32,459
Scholarship Bursary Funds	80,864	5,804	7,000	79,668
Bibliomondialis	10,749	215	30	10,934
Northern Exposure To Leadership Fund	3,081	62	-	3,143
Library Advocacy Now Fund	4,615	92	-	4,707
Advocacy Award	29,215	571	1,011	28,775
Chancellor Award	6,562	207	-	6,769
Angela Thacker Fund	6,443	221	711	5,953
Disaster Relief	-	-	-	-
Hurricane Relief	-	-	-	-
Young Adult Fund	-	2,626	2,264	362
	<u>274,760</u>	<u>16,181</u>	<u>17,402</u>	<u>273,539</u>
SPECIAL PURPOSE FUNDS				
Information Rights Week	5,095	-	-	5,095
Book Rate	3,840	-	-	3,840
	<u>8,935</u>	<u>-</u>	<u>-</u>	<u>8,935</u>
PROJECTS				
	<u>\$ 283,695</u>	<u>\$ 16,181</u>	<u>\$ 17,402</u>	<u>\$ 282,474</u>