

**CANADIAN LIBRARY ASSOCIATION  
ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**CONTENTS**

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF CHANGES IN NET ASSETS

STATEMENT OF OPERATIONS

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

2  
3  
4  
5  
6



PARKER PRINS LEBANO  
**Chartered Accountants**  
Professional Corporation

## INDEPENDENT AUDITORS' REPORT

To the Members of,

### CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Canadian Library Association/Association canadienne des bibliothèques, which comprise the Statement Of Financial Position as at December 31, 2010, and the Statements Of Changes In Net Assets, Operations, and Cash Flows 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 generally accepted accounting principles, 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.

#### Auditors' 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 Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 the Canadian Library Association/Association canadienne des bibliothèques as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

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

Ottawa, Ontario  
April 21, 2011

---

**CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2010**

---

	2010	2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 196,251	\$ 211,216
Short term investments	55,000	55,000
Accounts receivable	129,681	94,678
Inventories	30,057	31,035
Prepaid expenses	<u>124,866</u>	<u>139,703</u>
	535,855	531,632
<b>INVESTMENTS</b>	626,184	588,648
<b>CAPITAL (note 3)</b>	<u>25,488</u>	<u>32,033</u>
	<u><b>\$ 1,187,527</b></u>	<u><b>\$ 1,152,313</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (note 4)	\$ 261,363	\$ 252,861
<b>DEFERRED CONTRIBUTIONS</b>	<u>158,121</u>	<u>147,678</u>
	<u>419,484</u>	<u>400,539</u>
<b>NET ASSETS</b>		
Mary Elizabeth Allan Operating Fund	545,859	520,482
Special Purpose Funds (note 7)	282,313	282,474
Unrestricted	<u>(60,129)</u>	<u>(51,182)</u>
	<u>768,043</u>	<u>751,774</u>
	<u><b>\$ 1,187,527</b></u>	<u><b>\$ 1,152,313</b></u>

---

**CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**AS AT DECEMBER 31, 2010**

---

	2010	2009
<b>NET ASSETS RESTRICTED TO MARY ELIZABETH ALLAN OPERATING FUND</b>		
Balance, beginning of year	\$ 520,482	\$ 478,945
Gain on investments	<u>25,377</u>	<u>41,537</u>
Balance, end of year	<u>\$ 545,859</u>	<u>\$ 520,482</u>
<b>NET ASSETS RESTRICTED TO SPECIAL PURPOSE FUNDS</b>		
Balance, beginning of year	\$ 282,474	\$ 283,695
Transfer from unrestricted net assets	<u>(161)</u>	<u>(1,221)</u>
Balance, end of year	<u>\$ 282,313</u>	<u>\$ 282,474</u>
<b>UNRESTRICTED NET ASSETS</b>		
Balance, beginning of year	\$ (51,182)	\$ (85,078)
(Deficiency) excess of revenue over expenses for the year	(9,108)	32,675
Transfer to net assets restricted to Special Purpose Funds	<u>161</u>	<u>1,221</u>
Balance, end of year	<u>\$ (60,129)</u>	<u>\$ (51,182)</u>

---

**CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

---

	2010	2009
<b>REVENUE</b>		
Membership services	\$ 368,114	\$ 403,061
Conference and exhibits	609,553	624,324
Book sales	180,057	161,753
Feliciter and website	114,425	133,652
Investments and miscellaneous	30,190	12,960
Executive	23,975	9,016
Young Canada Works - Heritage Canada	396,835	381,884
Special purpose funds and projects (note 7)	<u>16,891</u>	<u>16,181</u>
	<u>1,740,040</u>	<u>1,742,831</u>
<b>EXPENSES</b>		
Member services	54,395	89,404
Conference and exhibits	378,497	329,598
Book sales	127,718	123,383
Feliciter and website	186,290	177,322
Finance	113,914	108,711
Executive	516,214	530,714
Young Canada Works	396,835	381,884
Professional development	-	5,597
Recovery of administrative costs	(41,767)	(53,859)
Special purpose funds and projects (note 7)	<u>17,052</u>	<u>17,402</u>
	<u>1,749,148</u>	<u>1,710,156</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ (9,108)</u>	<u>\$ 32,675</u>

---

**CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

---

	<b>2010</b>	2009
<b>CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenue over expenses for the year	<b>\$ (9,108)</b>	\$ 32,675
Items not requiring an outlay of cash:		
Amortization	7,661	8,623
Net change to non-cash items related to operations:		
Accounts receivable	<b>(35,003)</b>	(25,640)
Inventory	978	(4,777)
Prepaid expenses	<b>14,837</b>	(21,448)
Accounts payable and accrued liabilities	<b>8,502</b>	(53,473)
Deferred contributions	<b>10,443</b>	(90,008)
	<u><b>(1,690)</b></u>	<u>(154,048)</u>
 <b>CASH FLOWS USED FOR INVESTING ACTIVITIES</b>		
Increase in investments	<b>(12,159)</b>	(12,379)
Acquisition of capital assets	<b>(1,116)</b>	(7,109)
	<u><b>(13,275)</b></u>	<u>(19,488)</u>
 <b>NET DECREASE IN CASH POSITION</b>	<b>(14,965)</b>	(173,536)
 <b>CASH POSITION, BEGINNING OF YEAR</b>	<u><b>211,216</b></u>	<u>384,752</u>
 <b>CASH POSITION, END OF YEAR</b>	<u><b>\$ 196,251</b></u>	<u>\$ 211,216</u>

---

**CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

---

**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, 2010**

---

**3. CAPITAL ASSETS**

	<u>COST</u>	<u>ACCUMULATED AMORTIZATION</u>	<u>NET BOOK VALUE</u> 2010	<u>NET BOOK VALUE</u> 2009
Office equipment	\$ 49,224	\$ 41,269	\$ 7,955	\$ 9,303
Computer hardware	58,380	50,380	8,000	11,429
Computer software	55,430	45,897	9,533	11,301
	<u>\$ 163,034</u>	<u>\$ 137,546</u>	<u>\$ 25,488</u>	<u>\$ 32,033</u>

Amortization expense of capital assets for 2010 is \$7,661 (2009 - \$8,623).

**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 \$129,158 as at December 31, 2010 (2009 - \$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:

2011	\$ 58,900
2012	\$ 58,900
2013	\$ 53,900
2014	\$ 48,800
2015	\$ 39,400

**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, 2010**

---

**7. SPECIAL PURPOSE FUNDS AND PROJECTS**

	BALANCE OPENING	REVENUES	EXPENSES	BALANCE ENDING
Book Award Fund	\$ 41,581	\$ 4,502	\$ 4,360	\$ 41,723
Intellectual Freedom Fund	59,188	2,131	692	60,627
Research And Education Fund	32,459	861	1,000	32,320
Scholarship Bursary Funds	79,668	5,723	7,014	78,377
Bibliomondialis	10,934	584	30	11,488
Northern Exposure To Leadership Fund	3,143	158	-	3,301
Library Advocacy Now Fund	4,707	122	-	4,829
Advocacy Award	28,775	733	1,012	28,496
Chancellor Award	6,769	233	1,000	6,002
Angela Thacker Fund	5,953	256	12	6,197
Young Adult Fund	362	1,588	1,924	26
	<u>273,539</u>	<u>16,891</u>	<u>17,044</u>	<u>273,386</u>
SPECIAL PURPOSE FUNDS				
Information Rights Week	5,095	-	-	5,095
Book Rate	3,840	-	8	3,832
	<u>8,935</u>	<u>-</u>	<u>8</u>	<u>8,927</u>
PROJECTS				
	<u>\$ 282,474</u>	<u>\$ 16,891</u>	<u>\$ 17,052</u>	<u>\$ 282,313</u>