

CANADIAN LIBRARY ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2005

CONTENTS

AUDITORS' REPORT

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN NET ASSETS	3
STATEMENT OF OPERATIONS	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6



PARKER PRINS SEEL
Chartered Accountants
Professional Corporation

AUDITORS' REPORT

To the Members,

CANADIAN LIBRARY ASSOCIATION

We have audited the Statement Of Financial Position of the CANADIAN LIBRARY ASSOCIATION as at December 31, 2005 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, 2005 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Parker Prins Seel
Chartered Accountants

Ottawa, Canada
February 22, 2006

CANADIAN LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2005

	2005	2004
ASSETS		
CURRENT		
Cash	\$ 237,615	\$ 125,777
Short term investments	55,000	55,000
Accounts receivable	68,248	149,477
Inventories	26,124	41,378
Prepaid expenses	148,130	103,558
	<u>535,117</u>	<u>475,190</u>
INVESTMENTS	528,746	490,071
CAPITAL (note 3)	43,498	51,456
OTHER (note 4)	50	1,792
	<u>\$ 1,107,411</u>	<u>\$ 1,018,509</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 292,447	\$ 298,793
DEFERRED CONTRIBUTIONS	177,967	188,047
	<u>470,414</u>	<u>486,840</u>
NET ASSETS		
Mary Elizabeth Allan Operating Fund	497,533	470,603
Special Purpose Funds (note 7)	310,767	270,348
Unrestricted	(171,303)	(209,282)
	<u>636,997</u>	<u>531,669</u>
	<u>\$ 1,107,411</u>	<u>\$ 1,018,509</u>

CANADIAN LIBRARY ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2005

	2005	2004
NET ASSETS RESTRICTED TO MARY ELIZABETH ALLAN OPERATING FUND		
Balance, beginning of year	\$ 470,603	\$ 462,040
Gain on investments	26,930	8,563
Balance, end of year	<u>\$ 497,533</u>	<u>\$ 470,603</u>
 NET ASSETS RESTRICTED TO SPECIAL PURPOSE FUNDS		
Balance, beginning of year	\$ 270,348	\$ 213,566
Transfer from unrestricted net assets	40,419	56,782
Balance, end of year	<u>\$ 310,767</u>	<u>\$ 270,348</u>
 UNRESTRICTED NET ASSETS		
Balance, beginning of year	\$ (209,282)	\$ (231,465)
Excess of revenue over expenses for the year	78,398	78,965
Transfer to net assets restricted to Special Purpose Funds	(40,419)	(56,782)
Balance, end of year	<u>\$ (171,303)</u>	<u>\$ (209,282)</u>

CANADIAN LIBRARY ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2005

	2005	2004
REVENUE		
Membership services	\$ 451,245	\$ 421,504
Conference and exhibits	633,094	637,311
Book sales	186,383	254,645
Feliciter and website	116,266	123,724
Investments and miscellaneous	18,180	25,789
Executive	7,402	9,991
Projects	452,006	593,041
Continuing education	20,485	-
Special purpose funds and projects (note 7)	67,150	73,030
	<u>1,952,211</u>	<u>2,139,035</u>
EXPENSES		
Member services	120,635	138,869
Conferences and exhibits	329,917	354,404
Book sales	113,277	144,496
Feliciter and website	117,712	127,617
Finance	144,657	138,658
Executive	544,659	549,917
Projects	452,457	632,081
Continuing education	60,640	-
Recovery of administrative costs	(36,872)	(42,220)
Special purpose funds and projects (note 7)	26,731	16,248
	<u>1,873,813</u>	<u>2,060,070</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 78,398</u>	<u>\$ 78,965</u>

CANADIAN LIBRARY ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2005

	2005	2004
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 78,398	\$ 78,965
Items not requiring an outlay of cash:		
Amortization	18,878	24,893
Net change to non-cash items related to operations:		
Accounts receivable	81,229	23,844
Inventory	15,254	(5,191)
Prepaid expenses	(44,572)	(52,151)
Accounts payable and accrued liabilities	(6,346)	(49,123)
Deferred contributions	(10,080)	105,636
	<u>132,761</u>	<u>126,873</u>
 CASH FLOWS USED FOR INVESTING ACTIVITIES		
Increase in investments	(11,744)	(12,403)
Acquisition of capital assets	(9,179)	(18,675)
	<u>(20,923)</u>	<u>(31,078)</u>
 NET INCREASE IN CASH POSITION	111,838	95,795
 CASH POSITION, BEGINNING OF YEAR	<u>125,777</u>	<u>29,982</u>
 CASH POSITION, END OF YEAR	<u>\$ 237,615</u>	<u>\$ 125,777</u>

CANADIAN LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

1. THE ORGANIZATION

PURPOSE OF THE ORGANIZATION

The CANADIAN LIBRARY ASSOCIATION'S 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, is calculated using the declining balance method. Amortization of leasehold improvements 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
Reorganization	5 years

Amortization of additions to capital assets 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.

CANADIAN LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2005

3. CAPITAL ASSETS

	<u>COST</u>	<u>ACCUMULATED AMORTIZATION</u>	<u>NET BOOK VALUE</u>	<u>NET BOOK VALUE</u>
			2005	2004
Office equipment	\$ 47,441	\$ 26,094	\$ 21,347	20,109
Computer hardware	45,782	31,212	14,570	17,678
Computer software	14,260	7,740	6,520	7,305
Microfilm collection	1	-	1	1
Leaseholds	50,375	49,315	1,060	6,363
	<u>\$ 157,859</u>	<u>\$ 114,361</u>	<u>\$ 43,498</u>	<u>\$ 51,456</u>

Amortization expense of capital assets for 2005 is \$17,136 (2004 - \$21,502).

4. OTHER ASSETS

	<u>COST</u>	<u>ACCUMULATED AMORTIZATION</u>	<u>NET BOOK VALUE</u>	<u>NET BOOK VALUE</u>
			2005	2004
Relocation	<u>\$ 16,951</u>	<u>\$ 16,901</u>	<u>\$ 50</u>	<u>\$ 1,792</u>

Amortization expense of other assets for 2005 is \$1,742 (2004 - \$3,390).

5. FUNDS HELD IN TRUST

The CANADIAN LIBRARY ASSOCIATION is a custodian of funds allocated to various Divisions and Interest Groups. These funds amount to \$116,207 as at December 31, 2005 (2004 - \$99,047) and are included in the accounts payable.

6. COMMITMENTS

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

2006	\$ 74,293
2007	\$ 73,656
2008	\$ 63,836
2009	\$ 57,200
2010	\$ 28,600

CANADIAN LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2005

7. SPECIAL PURPOSE FUNDS AND PROJECTS

	BALANCE OPENING	REVENUES	EXPENSES	BALANCE ENDING
Book Award Fund	\$ 37,478	\$ 20,673	\$ 12,313	\$ 45,838
Intellectual Freedom Fund	52,321	1,879	76	54,124
Research And Education Fund	33,178	994	1,000	33,172
Scholarship Bursary Funds	79,169	9,068	7,000	81,237
Echo Program Fund	3,389	358	95	3,652
Northern Exposure To Leadership Fund	4,279	2,285	2,815	3,749
Library Advocacy Now Fund	4,108	2,912	2,303	4,717
Strategic Direction	116	89	-	205
Advocacy Award	30,118	726	-	30,844
Chancellor Award	7,049	162	500	6,711
Angela Thacker Fund	8,528	198	527	8,199
Tsunami Fund	-	25,891	89	25,802
Hurricane Relief	-	1,915	-	1,915
SPECIAL PURPOSE FUNDS	<u>259,733</u>	<u>67,150</u>	<u>26,718</u>	<u>300,165</u>
Information Rights Week	5,095	-	-	5,095
Book Rate	5,520	-	13	5,507
PROJECTS	<u>10,615</u>	<u>-</u>	<u>13</u>	<u>10,602</u>
	<u>\$ 270,348</u>	<u>\$ 67,150</u>	<u>\$ 26,731</u>	<u>\$ 310,767</u>