

Canadian Library Association
Report from the Treasurer

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CLA Treasurer

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This report provides an overview of the financial state of the Association. Members will also want to consult the current balance sheet and financial statement.

Overview

Like most associations, the primary revenue streams for CLA are membership fees and conference profits. Both have been in decline for many years. The primary expenditures for CLA are staff, rent, programs, and governance. Over the past two years Executive Council has diligently worked to streamline these expenses, curtailing unprofitable programs and seeking cheaper solutions to core needs. Unfortunately this has also meant a reduction in staff.

Despite significant efforts by previous and current CLA Executive Directors and Executive Councils to increase revenues and streamline expenditures, revenue continues to decline. .

As reported to the membership at the AGM in 2014 and 2015, CLA is financially unsustainable.

CLA Budget

CLA has operated on a deficit budget for the past number of years. Those deficits were covered at year-end with funds drawn down from CLA investments.

While the CLA office has been conscientious in reducing costs, this has been not sufficient to balance the budget. As reported to the membership previously, the longer CLA continues, the more it expends its non-renewable investment resources.

The 2014 and 2015 budgets have supported the development of the proposal for a Canadian Federation of Library Associations (Federation). This expenditure, while putting additional pressure on CLA resources, was seen as the prudent way to ensure the continuation of a national voice that unites, supports, and represents the diverse library communities across the country.

The 2015 year-end deficit (\$250,869) is comprised primarily of continuing membership fee declines, conference revenue shortfalls, and funding to support the work towards the Federation proposal.

Audits

External audits are a tool for transparency in financial matters. CLA has repeatedly received clean audits with either no management letter or only minor recommendations regarding adjustments in financial practices or controls. These audits are publically available and attest to the fiduciary accountability of CLA.

Investments

CLA holds investments in a number of financial instruments. These are managed through CIBC Wood Gundy. Recent investment strategies have been to preserve our capital and liquidity to enable use of these funds for wind up costs and future transfers.

As of November 30, 2015 CLA investments total \$522,815.00.

Association Wind Up

If the motion to dissolve CLA is approved by the membership, the Association would have to resolve its liabilities and dispose of its assets. Key liabilities have been identified (e.g. staff severance, contract terminations, and lease obligations) and some have already been mitigated.

Following membership approval, the objective is to shutter the Association and redirect any remaining assets to appropriate associations and organizations (i.e. those whose mission and mandate closely match that of CLA and its core values). As the proposal indicates, an aspect of this is to provide seed funding for the proposed Federation.

A word of caution; because CLA is a charitable organization, disposal of assets must be done within the regulations of the Income Tax Act and the Charities Directorate of the Canada Revenue Agency (CRA) that apply to registered charities. Because the Federation will be established as a non-charitable organization to permit lobbying and political action, CLA has been seeking CRA direction on how, and to what extent, our remaining assets can be redirected to the Federation.

A significant liability for CLA is the office lease. In May 2010 CLA signed a 10 year lease for 1150 Morrison Drive. Efforts to sublet or break the lease have so far been unsuccessful. Should CLA have to pay out all or even part of the outstanding lease, this will be a significant financial obligation. Mitigating the lease liability is one of the highest priorities.

Summary

Despite best efforts, CLA is no longer a sustainable association. While its mission and mandate as a national voice for libraries are still viewed as important by the library community, it is clear that CLA is not the vehicle for these activities. CLA has the necessary assets to manage its liabilities and will do so responsibly should the membership approve dissolution.