

**CANADIAN LIBRARY ASSOCIATION
ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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, 2011, 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, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

March 2, 2012

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 174,320	\$ 196,251
Short term investments	55,209	55,000
Accounts receivable	182,203	129,681
Inventories	35,097	30,057
Prepaid expenses	<u>122,986</u>	<u>124,866</u>
	569,815	535,855
INVESTMENTS	643,782	626,184
CAPITAL (note 3)	<u>22,184</u>	<u>25,488</u>
	<u><u>\$ 1,235,781</u></u>	<u><u>\$ 1,187,527</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (notes 4 & 7)	\$ 141,797	\$ 261,363
DEFERRED CONTRIBUTIONS	<u>148,110</u>	<u>158,121</u>
	<u>289,907</u>	<u>419,484</u>
NET ASSETS		
Mary Elizabeth Allan Operating Fund	545,494	545,859
Special Purpose Funds and Projects (notes 7 & 8)	281,284	282,313
Unrestricted	<u>119,096</u>	<u>(60,129)</u>
	<u>945,874</u>	<u>768,043</u>
	<u><u>\$ 1,235,781</u></u>	<u><u>\$ 1,187,527</u></u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2011

	2011	2010
NET ASSETS RESTRICTED TO MARY ELIZABETH ALLAN		
OPERATING FUND		
Balance, beginning of year	\$ 545,859	\$ 520,481
(Loss) gain on investments	<u>(365)</u>	<u>25,378</u>
Balance, end of year	<u>\$ 545,494</u>	<u>\$ 545,859</u>
NET ASSETS RESTRICTED TO SPECIAL PURPOSE FUNDS AND PROJECTS		
Balance, beginning of year	\$ 282,313	\$ 282,474
Transfer from (to) unrestricted net assets	7,898	(161)
Transfer to unrestricted net assets (note 7)	<u>(8,927)</u>	<u>-</u>
Balance, end of year	<u>\$ 281,284</u>	<u>\$ 282,313</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	\$ (60,129)	\$ (51,182)
Excess (deficiency) of revenue over expenses for the year	56,119	(9,108)
Transfer from net assets restricted to Special Purpose Funds and Projects	1,029	161
Transfer from Chapters and Interest Groups (note 7)	<u>122,077</u>	<u>-</u>
Balance, end of year	<u>\$ 119,096</u>	<u>\$ (60,129)</u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
REVENUE		
Advocacy and media relations	\$ 18,275	\$ 17,128
Membership	427,214	349,840
Units	9,384	11,400
Committees	3,985	6,025
Member communications	57,993	58,120
Awards, grants and scholarships	1,497	1,500
External relations	7,323	-
Conference and trade show	554,705	609,553
Publication sales	200,608	236,362
Professional development	4,250	860
Administration	1,875	712
Financial activities	40,441	34,814
Young Canada Works - Heritage Canada	389,443	396,835
Special purpose funds and projects (note 8)	<u>17,408</u>	<u>16,891</u>
	<u>1,734,401</u>	<u>1,740,040</u>
EXPENSES		
Advocacy and media relations	67,921	66,076
Membership	5,045	9,704
Units	1,476	18,505
Committees	14,545	16,224
Member communications	42,343	51,477
Awards, grants and scholarships	3,104	3,347
External relations	25,148	14,246
Conference and trade show	251,200	241,907
Publication sales	77,297	88,284
Professional development	2,755	-
Administration	106,958	145,892
Financial activities	55,545	53,793
Young Canada Works - Heritage Canada	389,443	396,835
Special purpose funds and projects (note 8)	9,510	17,052
Governance	33,317	48,634
Executive Director's office	7,645	18,056
Salaries and benefits	553,368	535,913
GST/HST	<u>31,662</u>	<u>23,203</u>
	<u>1,678,282</u>	<u>1,749,148</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 56,119</u>	<u>\$ (9,108)</u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 56,119	\$ (9,108)
Items not requiring an outlay of cash:		
Amortization	6,356	7,661
Net change to non-cash items related to operations:		
Accounts receivable	(52,522)	(35,005)
Inventory	(5,040)	978
Prepaid expenses	1,880	14,837
Accounts payable and accrued liabilities	(119,566)	8,323
Deferred contributions	<u>(10,011)</u>	<u>10,624</u>
	<u>(122,784)</u>	<u>(1,690)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Increase in investments	(17,963)	(12,159)
Acquisition of capital assets	(3,261)	(1,116)
Transfer from Chapters and Interest Groups	<u>122,077</u>	<u>-</u>
	<u>100,853</u>	<u>(13,275)</u>
NET DECREASE IN CASH POSITION	(21,931)	(14,965)
CASH POSITION, BEGINNING OF YEAR	<u>196,251</u>	<u>211,216</u>
CASH POSITION, END OF YEAR	<u>\$ 174,320</u>	<u>\$ 196,251</u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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, 2011

3. CAPITAL ASSETS

	<u>COST</u>	<u>ACCUMULATED AMORTIZATION</u>	<u>NET BOOK VALUE</u> 2011	<u>NET BOOK VALUE</u> 2010
Office equipment	\$ 49,224	\$ 42,860	\$ 6,364	\$ 7,955
Computer hardware	61,432	53,238	8,194	8,000
Computer software	55,430	47,804	7,626	9,533
	<u>\$ 166,086</u>	<u>\$ 143,902</u>	<u>\$ 22,184</u>	<u>\$ 25,488</u>

Amortization expense of capital assets for 2011 is \$6,356 (2010 - \$7,661).

4. FUNDS HELD IN TRUST

The Canadian Library Association is a custodian of funds allocated to School Libraries in Canada and the Network Pool Fund. These funds amount to \$19,902 as at December 31, 2011 (2010 - \$155,083) and are included in the accounts payable. Unused funds allocated in previous years to Divisions and Interest Groups in the amount of \$122,077 have been transferred to Unrestricted Net Assets.

5. COMMITMENTS

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

2012	\$ 100,500
2013	\$ 95,400
2014	\$ 90,400
2015	\$ 81,000
2016	\$ 81,500

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, 2011

7. TRANSFER FROM CHAPTERS AND INTEREST GROUPS

Unused funds allocated to Divisions and Interest Groups in the amount of \$122,077 have been transferred to the Unrestricted Net Assets. Remaining funds from closed projects in the amount of \$8,927 have been transferred to the Unrestricted Net Assets.

8. SPECIAL PURPOSE FUNDS AND PROJECTS

SPECIAL PURPOSE FUNDS	BALANCE OPENING	REVENUES	EXPENSES	BALANCE ENDING
Book Award Fund	\$ 41,723	\$ 4,381	\$ 3,539	\$ 42,565
Intellectual Freedom Fund	60,627	2,402	1,022	62,007
Research And Education Fund	32,320	1,021	-	33,341
Scholarship Bursary Funds	78,377	6,137	2,000	82,514
Bibliomondialis	11,488	337	30	11,795
Northern Exposure To Leadership Fund	3,301	171	-	3,472
Library Advocacy Now Fund	4,829	219	-	5,048
Advocacy Award	28,496	820	1,013	28,303
Chancellor Award	6,002	176	-	6,178
Angela Thacker Fund	6,197	176	313	6,060
Young Adult Fund	26	1,568	1,593	1
SPECIAL PURPOSE FUNDS	\$ 273,386	\$ 17,408	\$ 9,510	\$ 281,284

PROJECTS	BALANCE OPENING	TRANSFER TO UNRESTRICTED NET ASSETS	BALANCE ENDING
Information Rights Week	\$ 5,095	\$ (5,095)	\$ -
Book Rate	3,832	(3,832)	-
PROJECTS	\$ 8,927	\$ (8,927)	\$ -