

**CANADIAN LIBRARY ASSOCIATION
ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES**

FINANCIAL STATEMENTS

DECEMBER 31, 2013

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PARKER PRINS LEBANO

Chartered Accountants

Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Members of the,

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, 2013, 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 accounting standards for not-for-profit organizations, 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, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in cursive script, appearing to read 'Parker Prins Lebano'.

Parker Prins Lebano Chartered Accountants Professional Corporation

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario

April 23, 2014

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013	2012
ASSETS		
CURRENT		
Cash	\$ -	\$ 120,282
Short term investments	55,000	55,000
Accounts receivable	228,464	187,453
Inventories	24,440	19,906
Prepaid expenses	<u>110,997</u>	<u>121,493</u>
	418,901	504,134
PREPAID EXPENSES	86,445	47,525
INVESTMENTS	688,042	664,872
CAPITAL (note 3)	<u>19,287</u>	<u>19,001</u>
	<u>\$ 1,212,675</u>	<u>\$ 1,235,532</u>
LIABILITIES		
CURRENT		
Bank indebtedness	\$ 97,928	\$ -
Accounts payable and accrued liabilities (note 4)	<u>97,298</u>	<u>144,199</u>
	195,226	144,199
DEFERRED CONTRIBUTIONS	<u>167,935</u>	<u>130,932</u>
	<u>363,161</u>	<u>275,131</u>
NET ASSETS		
Mary Elizabeth Allan Operating Fund	551,879	546,671
Special Purpose Funds and Projects (note 7)	256,206	262,144
Unrestricted	<u>41,429</u>	<u>151,586</u>
	<u>849,514</u>	<u>960,401</u>
	<u>\$ 1,212,675</u>	<u>\$ 1,235,532</u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2013

	2013	2012
NET ASSETS RESTRICTED TO MARY ELIZABETH ALLAN		
OPERATING FUND		
Balance, beginning of year	\$ 546,671	\$ 545,494
Gain on investments	<u>5,208</u>	<u>1,177</u>
Balance, end of year	<u><u>\$ 551,879</u></u>	<u><u>\$ 546,671</u></u>
NET ASSETS RESTRICTED TO SPECIAL PURPOSE FUNDS AND PROJECTS		
Balance, beginning of year	\$ 262,144	\$ 281,284
Transfer to unrestricted net assets	<u>(5,938)</u>	<u>(19,140)</u>
Balance, end of year	<u><u>\$ 256,206</u></u>	<u><u>\$ 262,144</u></u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	\$ 151,586	\$ 119,096
(Deficiency) excess of revenue over expenses for the year	(116,095)	13,350
Transfer from net assets restricted to Special Purpose Funds and Projects	<u>5,938</u>	<u>19,140</u>
Balance, end of year	<u><u>\$ 41,429</u></u>	<u><u>\$ 151,586</u></u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
REVENUE		
Advocacy and media relations	\$ 16,671	\$ 17,173
Membership	421,676	396,002
Units	8,260	4,567
Committees	-	3,925
Member communications	28,277	52,547
Awards, grants and scholarships	9,155	9,000
Conference and trade show	481,805	567,082
Publication sales	155,499	167,538
Professional development	16,300	-
Financial activities	24,877	26,865
Young Canada Works - Heritage Canada	386,824	389,685
Special purpose funds and projects (note 7)	8,717	21,384
	<u>1,558,061</u>	<u>1,655,768</u>
EXPENSES		
Advocacy and media relations	63,715	67,278
Membership	2,175	4,574
Units	2,241	2,121
Committees	5,615	3,394
Member communications	3,329	26,754
Awards, grants and scholarships	6,205	6,823
External relations	16,278	15,074
Conference and trade show	317,505	339,635
Publication sales	47,388	55,211
Professional development	5,017	-
Administration	113,782	114,114
Financial activities	49,041	53,033
Young Canada Works - Heritage Canada	386,824	389,685
Special purpose funds and projects (note 7)	14,655	40,524
Governance	19,339	14,199
Executive Director's office	19,893	8,522
Salaries and benefits	574,085	469,109
GST/HST	27,069	32,368
	<u>1,674,156</u>	<u>1,642,418</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ (116,095)</u>	<u>\$ 13,350</u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses for the year	\$ (116,095)	\$ 13,350
Items not requiring an outlay of cash:		
Amortization	5,148	5,579
Net change to non-cash items related to operations:		
Accounts receivable	(41,011)	(5,250)
Inventory	(4,534)	15,191
Prepaid expenses	10,496	1,493
Accounts payable and accrued liabilities	(46,901)	2,402
Deferred contributions	<u>37,003</u>	<u>(17,178)</u>
	<u>(155,894)</u>	<u>15,587</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Increase in prepaid expenses	(38,920)	(47,525)
Purchase of investments, net	(23,170)	(20,881)
Acquisition of capital assets	(5,434)	(2,396)
Gain on investments related to Mary Elizabeth Allen operating fund	<u>5,208</u>	<u>1,177</u>
	<u>(62,316)</u>	<u>(69,625)</u>
NET DECREASE IN CASH POSITION	(218,210)	(54,038)
CASH POSITION, BEGINNING OF YEAR	<u>120,282</u>	<u>174,320</u>
(BANK INDEBTEDNESS) CASH POSITION, END OF YEAR	<u><u>\$ (97,928)</u></u>	<u><u>\$ 120,282</u></u>

CANADIAN LIBRARY ASSOCIATION/ASSOCIATION CANADIENNE DES BIBLIOTHÈQUES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following 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%

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, 2013

3. CAPITAL ASSETS

	<u>COST</u>	<u>ACCUMULATED AMORTIZATION</u>	<u>NET BOOK VALUE</u> 2013	<u>NET BOOK VALUE</u> 2012
Office equipment	\$ 52,893	\$ 45,650	\$ 7,243	\$ 5,748
Computer hardware	64,866	58,357	6,509	7,152
Computer software	<u>56,157</u>	<u>50,622</u>	<u>5,535</u>	<u>6,101</u>
	<u>\$ 173,916</u>	<u>\$ 154,629</u>	<u>\$ 19,287</u>	<u>\$ 19,001</u>

Amortization expense of capital assets for 2013 is \$5,148 (2012 - \$5,579).

4. FUNDS HELD

The Canadian Library Association is a custodian of funds allocated to School Libraries in Canada, Student Chapters and the Network Pool Fund. These funds amount to \$14,950 as at December 31, 2013 (2012 - \$21,323) and are included in the accounts payable.

5. COMMITMENTS

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

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, 2013

7. SPECIAL PURPOSE FUNDS AND PROJECTS

SPECIAL PURPOSE FUNDS	<u>BALANCE OPENING</u>	<u>REVENUES</u>	<u>EXPENSES</u>	<u>BALANCE ENDING</u>
Book Award Fund	\$ 40,928	\$ 3,050	\$ 3,993	\$ 39,985
Intellectual Freedom Fund	64,357	450	14	64,793
Research And Education Fund	14,278	-	-	14,278
Scholarship Bursary Funds	81,487	3,532	7,014	78,005
Bibliomondialis	6,990	-	30	6,960
Northern Exposure To Leadership Fund	6,479	-	-	6,479
Library Advocacy Now Fund	5,240	125	-	5,365
Advocacy Award	29,798	-	1,016	28,782
Chancellor Award	5,842	-	-	5,842
Angela Thacker Fund	6,230	-	714	5,516
Young Adult Fund	<u>515</u>	<u>1,560</u>	<u>1,874</u>	<u>201</u>
 SPECIAL PURPOSE FUNDS	 <u>\$ 262,144</u>	 <u>\$ 8,717</u>	 <u>\$ 14,655</u>	 <u>\$ 256,206</u>