

MANITOBA LIBRARY ASSOCIATION INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2016
AND
INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS



Chartered Professional Accountants LLP
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*Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Directors of
Manitoba Library Association Inc.:

We have audited the accompanying financial statements of Manitoba Library Association Inc., which comprise the statement of financial position as at August 31, 2016 and the statements of operations and changes in fund balances and statement of 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.

Auditor's 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 judgement, 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 entity'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 entity'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.

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Basis for qualified opinion

Manitoba Library Association Inc. derives a significant portion of its revenue from sources, the completeness of which is not susceptible to audit verification. Consequently, we were unable to obtain sufficient appropriate audit evidence to support the completeness of these sources of revenue and we were unable to determine whether any adjustments were necessary.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Manitoba Library Association Inc. as at August 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants LLP

December 9, 2016

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MANITOBA LIBRARY ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION AS AT AUGUST 31, 2016
(See Accompanying Notes)

	General Fund	Canadian Review of Materials Fund	Total 2016	General Fund	Canadian Review of Materials Fund	Total 2015
ASSETS						
CURRENT:						
Cash	\$ 34,236	\$ 671	\$ 34,907	\$ 23,705	\$ 738	\$ 24,443
Accounts receivable	1,395	1,339	2,734		1,385	1,385
Goods and services tax recoverable	1,571	54	1,625	237	83	320
Prepaid expense				1,000		1,000
	<u>37,202</u>	<u>2,064</u>	<u>39,266</u>	<u>24,942</u>	<u>2,206</u>	<u>27,148</u>
DUE FROM CANADIAN REVIEW OF MATERIALS FUND	<u>15,348</u>		<u>15,348</u>	<u>15,348</u>		<u>15,348</u>
	<u>\$ 52,550</u>	<u>\$ 2,064</u>	<u>\$ 54,614</u>	<u>\$ 40,290</u>	<u>\$ 2,206</u>	<u>\$ 42,496</u>
LIABILITIES						
CURRENT:						
Accounts payable and accrued liabilities (Note 5)	\$ 2,138	\$ 1,727	\$ 3,865	\$ 2,199	\$ 499	\$ 2,698
DUE TO GENERAL FUND		<u>15,348</u>	<u>15,348</u>		<u>15,348</u>	<u>15,348</u>
	<u>2,138</u>	<u>17,075</u>	<u>19,213</u>	<u>2,199</u>	<u>15,847</u>	<u>18,046</u>
FUND BALANCES						
General fund	49,910		49,910	38,091		38,091
Canadian Review of Materials fund		(14,509)	(14,509)		(13,641)	(13,641)
	<u>49,910</u>	<u>(14,509)</u>	<u>35,401</u>	<u>38,091</u>	<u>(13,641)</u>	<u>24,450</u>
	<u>\$ 52,048</u>	<u>\$ 2,566</u>	<u>\$ 54,614</u>	<u>\$ 40,290</u>	<u>\$ 2,206</u>	<u>\$ 42,496</u>

Approved by the Board

X _____ Director

X _____ Director

MANITOBA LIBRARY ASSOCIATION INC.
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2016
(See Accompanying Notes)

	General Fund	Canadian Review of Materials Fund	Total 2016	General Fund	Canadian Review of Materials Fund	Total 2015
REVENUE:						
Conference	\$ 67,958	\$	\$ 67,958	\$	\$	
Donations	1,444	500	1,944	340	300	640
Membership	5,170		5,170	3,960		3,960
Partnership	792		792			
Province of Manitoba grants	6,300		6,300	6,300		6,300
Rental	800		800			
Royalties and subscriptions		1,791	1,791	1,070	1,511	2,581
	<u>82,464</u>	<u>2,291</u>	<u>84,755</u>	<u>11,670</u>	<u>1,811</u>	<u>13,481</u>
EXPENSES:						
Advertising and promotion				1,281		1,281
Bank charges	1,709	29	1,738	1,159	31	1,190
Conference	58,893		58,893	469		469
Insurance	1,377		1,377	605		605
Office	1,399		1,399	1,160		1,160
Postage and mailing		2,376	2,376		3,666	3,666
Professional fees	2,458		2,458	2,603		2,603
Rent	3,029		3,029	2,000		2,000
Scholarships and awards	169		169	495		495
Telephone	716		716	825		825
Travel	1,649		1,649	2,151		2,151
	<u>71,399</u>	<u>2,405</u>	<u>73,804</u>	<u>12,748</u>	<u>3,697</u>	<u>16,445</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	11,065	(114)	10,951	(1,078)	(1,886)	(2,964)
FUND BALANCES AT BEGINNING OF THE YEAR	<u>38,091</u>	<u>(13,641)</u>	<u>24,450</u>	<u>39,128</u>	<u>(11,714)</u>	<u>27,414</u>
INTERFUND TRANSFERS	<u>754</u>	<u>(754)</u>		<u>41</u>	<u>(41)</u>	
FUND BALANCES AT END OF YEAR	<u>\$ 49,910</u>	<u>\$ (14,509)</u>	<u>\$ 35,401</u>	<u>\$ 38,091</u>	<u>\$ (13,641)</u>	<u>\$ 24,450</u>

**MANITOBA LIBRARY ASSOCIATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2016
(See Accompanying Notes)**

	General Fund	Canadian Review of Materials Fund	Total 2016	General Fund	Canadian Review of Materials Fund	Total 2015
OPERATING ACTIVITIES:						
Excess (deficiency) of revenue over expenses	\$ 11,065	\$ (114)	\$ 10,951	\$ (1,078)	\$ (1,886)	\$ (2,964)
Net change in non-cash working capital items:						
Accounts receivable	(1,395)	46	(1,349)		(1,385)	(1,385)
Goods and services tax recoverable	(1,334)	29	(1,305)	1,402	7	1,409
Prepaid expense	1,000		1,000	(1,000)		(1,000)
Accounts payable and accrued liabilities	(61)	1,228	1,167	198		198
Interfund transfer	754	(754)		41	(41)	
	<u>(1,036)</u>	<u>549</u>	<u>(487)</u>	<u>641</u>	<u>(1,419)</u>	<u>(778)</u>
INCREASE (DECREASE) IN CASH POSITION	10,029	435	10,464	(437)	(3,305)	(3,742)
CASH POSITION AT BEGINNING OF THE YEAR	23,705	738	24,443	24,142	4,043	28,185
CASH POSITION AT END OF YEAR	\$ 33,734	\$ 1,173	\$ 34,907	\$ 23,705	\$ 738	\$ 24,443

MANITOBA LIBRARY ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2016

1. Basis of Presentation

The financial statements of the organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a going-concern basis which assumes that the organization will be able to realize its assets and discharge its liabilities in the normal course of business.

2. Purpose of the Organization

The organization provides leadership in the promotion, development and support of library and information services in Manitoba for the benefit of the association members, the library community, and citizens of Manitoba.

3. Incorporation

Manitoba Library Association Inc. was incorporated under the laws of Manitoba as a not-for-profit organization on May 25, 2009.

4. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Financial instruments:

Manitoba Library Association Inc. has the following financial statements: cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial statements. Due to the nature of these financial assets and liabilities, the carrying costs of these financial instruments approximate their fair market value.

Revenue recognition:

Manitoba Library Association Inc. follows the restricted fund method of accounting for contributions. The general fund accounts for the organization's program delivery and administrative activities. Canadian Review of Materials fund accounts for the revenue associated with journals published and corresponding expenses.

Capital assets:

It is the organization's policy to expense capital asset expenditures in the year of acquisition. During the current year, the organization did not have any addition of capital assets.

Contributed services:

The organization relies on volunteers to contribute their time in carrying out the activities of the organization. Due to the difficulty in determining the fair market value of these contributed services, they are not recognized in the financial statements.

Use of estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**MANITOBA LIBRARY ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2016**

4. Significant Accounting Policies (continued)

Income taxes:

The organization was designated a non-profit organization and is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act.

5. Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities consist of the following:

	2016	2015
Accrued audit fees	\$ 2,500	\$ 2,500
Trade payable	1,365	198
	<u>\$ 3,865</u>	<u>\$ 2,698</u>