

MANITOBA LIBRARY ASSOCIATION INC.

WINNIPEG, MB

AUGUST 31, 2018



Independent Auditor's Report

To the Members of;
Manitoba Library Association Inc.

We have audited the accompanying financial statements of Manitoba Library Association Inc., which comprise the balance sheet as at August 31, 2018 and the statements of revenue and expenditure, changes in net assets 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 not-for-profit accounting standards, 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 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 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.

Opinion

In our opinion these financial statements present fairly, in all material respects, the financial position of Manitoba Library Association Inc. as at August 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian not for profit accounting standards.

The prior year comparative figures have been audited by another public practice firm.

November 13, 2018
Winnipeg, Manitoba

Reid & Associates

Chartered Professional Accountants Inc

MANITOBA LIBRARY ASSOCIATION INC.

BALANCE SHEET

AS AT AUGUST 31

	2018	2017
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	63,812	47,919
Accounts receivable <i>(note 3)</i>	9,870	1,433
Prepaid expenses	250	500
	<u>73,932</u>	<u>49,852</u>
 OTHER LONG-TERM ASSET	 -	 15,348
	<u>73,932</u>	<u>65,200</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities <i>(note 4)</i>	<u>2,430</u>	<u>8,654</u>
 OTHER LONG-TERM LIABILITY	 -	 15,348
	<u>2,430</u>	<u>24,002</u>
NET ASSETS		
 UNRESTRICTED NET ASSETS	 <u>71,502</u>	 <u>41,198</u>
	<u>73,932</u>	<u>65,200</u>
 OVERDRAFT PROTECTION <i>(note 7)</i>		

Approved on Behalf of the Board

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

MANITOBA LIBRARY ASSOCIATION INC.**STATEMENT OF REVENUE AND EXPENDITURE****FOR THE YEAR ENDED AUGUST 31**

	2018	2017
	\$	\$
REVENUE		
Amalgamation	15,529	-
Conferences	83,521	-
Donations	440	2,345
Fundraising	970	-
Memberships	6,500	3,772
Miscellaneous	867	-
Royalties and subscriptions	268	1,304
Partnerships	714	1,127
Province of Manitoba grant	6,300	6,300
Rental income	1,154	800
Winnipeg Foundation grant	-	9,444
	<u>116,263</u>	<u>25,092</u>
EXPENDITURE		
Advertising and promotion	384	280
Awards and scholarships	850	475
Book purchases	9,030	-
Conferences and meetings	56,906	810
Insurance	1,253	1,486
Interest and service charges	1,484	679
Memberships	300	300
Miscellaneous	546	-
Office	2,208	704
Postage and delivery	-	6,107
Professional fees	2,430	2,840
Prison library committee	3,577	-
Rent	3,255	3,000
Telephone and internet	128	807
Travel	3,608	1,807
	<u>85,959</u>	<u>19,295</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>30,304</u>	<u>5,797</u>

The accompanying notes are an integral part of these financial statements

MANITOBA LIBRARY ASSOCIATION INC.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended August 31	
	2018	2017
	Total	Total
	\$	\$
NET ASSETS		
Balance, beginning of year	41,198	35,401
Excess of revenue over expenditure	<u>30,304</u>	<u>5,797</u>
Balance, end of year	<u><u>71,502</u></u>	<u><u>41,198</u></u>

The accompanying notes are an integral part of these financial statements

MANITOBA LIBRARY ASSOCIATION INC.

STATEMENT OF CASH FLOWS

	Year Ended August 31	
	2018	2017
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenditure for the year	30,304	5,797
Net changes in non-cash working capital affecting operations <i>(note 5)</i>	<u>(14,411)</u>	<u>7,215</u>
	<u>15,893</u>	<u>13,012</u>
INCREASE IN CASH RESOURCES	15,893	13,012
CASH RESOURCES, BEGINNING OF YEAR	<u>47,919</u>	<u>34,907</u>
CASH RESOURCES, END OF YEAR	<u><u>63,812</u></u>	<u><u>47,919</u></u>

The accompanying notes are an integral part of these financial statements

MANITOBA LIBRARY ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2018

1. PURPOSE OF ORGANIZATION

Manitoba Library Association is a not-for-profit organization that provides leadership in the promotion, development and support of library and information services in Manitoba for the benefit of MLA members, the library and information community and the citizens of Manitoba.

Under the Income Tax Act for Canada, the corporation qualifies as a charity and is exempt from income tax under Section 149 (1).

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the organization

a) REVENUE RECOGNITION

Membership dues are recognized in the period that they relate and when collection is reasonably assured.

Annual general meeting and conference revenue are recognized when the events are presented and when collection is reasonably assured. Amounts received prior to the events occurring are recorded as deferred revenue.

Materials and other revenue are recognized when delivery has occurred, the price is fixed or determinable and when collection is reasonably assured.

b) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded as expenditures in the year of acquisition

c) USE OF ESTIMATES

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the organization makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as impairment of long-lived assets.

MANITOBA LIBRARY ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2018

d) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, amounts receivable and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Financial assets measured at fair value include equity instruments that are quoted in an active market.

Impairment

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

3. ACCOUNTS RECEIVABLE

	2018	2017
	\$	\$
Goods and Services Tax receivable	2,620	809
Trade account receivables	7,250	624
	<u>9,870</u>	<u>1,433</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
	\$	\$
Trade accounts payable	2,430	8,654

MANITOBA LIBRARY ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS

August 31, 2018

5. CASH FLOW STATEMENT

	<u>2018</u>	<u>2017</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(8,437)	2,926
Prepaid expenses	250	(500)
Accounts payable and accrued liabilities	(6,224)	4,789
	<u>(14,411)</u>	<u>7,215</u>

6. COMPARATIVE FIGURES

The comparative figures have been reclassified for current presentation.

7. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and cash equivalent, short-term investments, accounts receivables and accounts payables and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit, liquidity, or market risks arising from these financial instruments. Market risks result from changes in interest rates, exchange rates of foreign currencies and market prices of financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The carrying amount of financial assets represents the maximum credit exposure.

The Organization's exposure to credit risk consists of cash and cash equivalents, and accounts receivables. The Organization maintains cash and cash equivalents with reputable and major financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in having available sufficient funds to meet its commitments. The Organization is not exposed to significant liquidity risk as it has sufficient cash flows available to meet its financial obligations.

Interest Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in the market interest rates. The Organization is exposed to limited interest risk.

8. ANNUAL RETURN

The centre has filed their 2018 annual return and the corporation is in good standing. This was confirmed with the Manitoba Corporations Branch.

MANITOBA LIBRARY ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2018

9. AMALGAMATION

During the course of the current fiscal year Manitoba Association of Library Technicians (MALT) and the Manitoba Library Trustees Association (MLTA) were amalgamated into the Manitoba Library Association. The net balance in the bank account was provided to the Manitoba Library Association and brought into revenue as a contribution in the current year. None of the operations prior to the contribution under MALT or MLTA were included in the operations of Manitoba Library Association.

10. OVERDRAFT PROTECTION

The organization has an overdraft protection with the TD Canada Trust bank in the amount of \$1,000; balance outstanding as at August 31, 2018 was \$ nil. (2017: \$ nil).

