ONTARIO LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

3. Significant accounting policies (continued)

Revenue recognition

The Ontario operating grant is recognized as revenue of the general fund on the basis of
the number of months of the Ontario Government’s fiscal year falling within the
Association’s fiscal period. Other special purpose grants are applied against the related
expense when the expenditures to which they relate have been incurred.

Membership fees, registration fees, contract administration fees and the sale of
publications and materials are recognized as revenue of the general fund when received
or receivable if the amount to be received can be reasonably estimated and collection is
reasonably assured.

Inventory

Inventory is comprised of publications and items for resale and is valued at the lower of
cost and net realizable value. Cost is determined using the first-in, first-out basis.

Capital assets

Purchased capital assets are carried at the lower of cost less accumulated amortization
and the estimated net recoverable amount in the general fund. Contributed capital assets
are recorded in the general fund at management’s estimate of fair value at the date of
contribution. Amortization is provided over the related assets’ estimated useful lives,
using the following methods and annual rates:

- Computer equipment & software
- Office furniture & equipment
- Leasehold improvements

- 20% declining method
- 20% declining method
- Straight-line over the term of the lease

Contributed services

The Association would not be able to carry out its activities without the services of the
many volunteers who donate a considerable number of hours. Because of the difficulty
of determining their fair value, contributed services are not recognized in the financial
statements.