



PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

FINANCIAL STATEMENTS

MARCH 31, 2024

Management's Report

Management's Responsibility for the Provincial Information and Library Resources Board Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information periodically and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Board in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Provincial Information and Library Resources Board.

On behalf of the Provincial Information and Library Resources Board.



Mr. Andrew Hunt, BBA, CPA, CGA
Executive Director



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Provincial Information and Library
Resources Board
Stephenville, Newfoundland and Labrador

Opinion

I have audited the financial statements of the Provincial Information and Library Resources Board, which comprise the statement of financial position as at March 31, 2024, and the statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Provincial Information and Library Resources Board as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Provincial Information and Library Resources Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

Independent Auditor's Report (cont.)

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector 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.

In preparing the financial statements, management is responsible for assessing the Provincial Information and Library Resources Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Provincial Information and Library Resources Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (cont.)

- Obtain an understanding of internal control relevant to the audit 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 Provincial Information and Library Resources Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Provincial Information and Library Resources Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Provincial Information and Library Resources Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



DENISE HANRAHAN, CPA, CMA, MBA, ICD.D
Auditor General

July 11, 2024
St. John's, Newfoundland and Labrador

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 3,283,379	\$ 2,247,088
Accounts receivable (Note 3)	153,969	61,779
Due from Province	81,038	158,000
Portfolio investments (Note 4)	124,021	105,949
	3,642,407	2,572,816
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	830,537	690,967
Employee future benefits (Note 6)	576,428	589,201
Deferred revenue (Note 7)	1,400,813	381,864
Asset retirement obligations (Note 10)	193,250	193,250
	3,001,028	1,855,282
Net financial assets	641,379	717,534
NON-FINANCIAL ASSETS		
Inventories held for use	53,920	52,453
Prepaid expenses	128,537	151,140
Tangible capital assets (Note 11)	1,620,286	1,493,951
	1,802,743	1,697,544
Accumulated surplus	\$ 2,444,122	\$ 2,415,078
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 2,343,593	\$ 2,332,621
Accumulated remeasurement gains	100,529	82,457
	\$ 2,444,122	\$ 2,415,078
Contractual obligations (Note 9)		
Trusts under administration (Note 12)		

The accompanying notes and supplementary schedules are an integral part of these financial statements.

Signed on behalf of the Board:


Chairperson


Member

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2024 Budget	2024 Actual	2023 Actual
	Unaudited (Note 14)		
REVENUE			
Province of Newfoundland and Labrador			
Operating grant	\$ 12,239,354	\$ 12,748,283	\$ 11,605,079
Capital grant	120,000	120,000	120,000
Early literacy program	-	263,365	59,093
Adult literacy project	-	134,224	113,899
French language services specialist	-	54,284	-
Kinderstart	-	-	68,315
Digital literacy exchange program (Federal Gov't)	-	149,381	1,372
Canada and NL summer jobs	-	26,925	10,556
Interest	130,000	203,714	118,318
Miscellaneous	90,000	126,670	71,317
AC Hunter – local board contribution	-	24,950	15,354
Privately funded projects (Note 8)	-	19,978	21,194
Fines and lost library materials	5,000	5,640	5,571
Dividend revenue	-	5,135	4,732
St. John's outreach – mobile van	-	2,377	13,792
Gain on disposal of tangible capital assets	-	2,000	-
CBS new location – local board contribution	-	-	56,669
	12,584,354	13,886,926	12,285,261
EXPENSES (Note 17)			
Administration	2,275,145	2,675,011	2,556,976
Adult literacy project	-	134,224	109,017
Amortization	-	356,661	314,454
Digital literacy exchange program (Federal Gov't)	-	110,307	1,372
Early literacy program	-	243,243	59,093
French language services specialist	-	54,284	-
Kinderstart	-	-	68,315
Library collection	1,650,296	1,829,088	1,668,505
Library operations	8,462,667	8,152,400	7,185,430
Privately funded projects (Note 8)	-	19,978	22,223
Public computer access	381,300	298,381	319,787
St. John's outreach – mobile van	-	2,377	13,792
	12,769,408	13,875,954	12,318,964
Annual operating surplus (deficit)	(185,054)	10,972	(33,703)
Accumulated operating surplus, beginning of year	2,332,621	2,332,621	2,366,324
Accumulated operating surplus, end of year	\$ 2,147,567	\$ 2,343,593	\$ 2,332,621

The accompanying notes and supplementary schedules are an integral part of these financial statements.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended March 31

2024

2023

Accumulated remeasurement gains, beginning of year	\$ 82,457	\$ 93,632
Unrealized gains (losses) attributable to:		
Portfolio investments	18,072	(11,175)
Accumulated remeasurement gains, end of year (Note 4)	\$ 100,529	\$ 82,457

**The accompanying notes and supplementary schedules are an
integral part of these financial statements.**

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2024 Budget	2024 Actual	2023 Actual
	Unaudited (Note 14)		
<u>Annual operating surplus (deficit)</u>	\$ (185,054)	\$ 10,972	\$ (33,703)
Changes in other non-financial assets			
Use of prepaid expenses	-	151,140	119,902
Acquisition of prepaid expenses	-	(128,537)	(151,140)
Net use of inventories held for use	-	(1,467)	3,928
	-	21,136	(27,310)
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(482,996)	(444,719)
Amortization of tangible capital assets	-	356,661	314,454
	-	(126,335)	(130,265)
<u>Effect of remeasurement gains (losses) for the year</u>	-	18,072	(11,175)
Decrease in net financial assets	(185,054)	(76,155)	(202,453)
Net financial assets, beginning of year	717,534	717,534	919,987
Net financial assets, end of year	\$ 532,480	\$ 641,379	\$ 717,534

**The accompanying notes and supplementary schedules are an
integral part of these financial statements.**

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31

2024

2023

Operating transactions

Annual operating surplus (deficit)	\$ 10,972	\$ (33,703)
Adjustment for non-cash items		
Amortization	356,661	314,454
Gain on disposal of tangible capital assets	(2,000)	-
	365,633	280,751
Change in non-cash operating items		
Accounts receivable	(92,190)	7,151
Due from Province	76,962	(158,000)
Accounts payable and accrued liabilities	139,570	(82,705)
Employee future benefits	(12,773)	(9,104)
Deferred revenue	1,018,949	(103,189)
Inventories held for use	(1,467)	3,928
Prepaid expenses	22,603	(31,238)
Cash provided from (applied to) operating transactions	1,517,287	(92,406)

Capital transactions

Acquisition of tangible capital assets	(482,996)	(444,719)
Proceeds from disposal of tangible capital assets	2,000	-
Cash applied to capital transactions	(480,996)	(444,719)

Increase (decrease) in cash	1,036,291	(537,125)
Cash, beginning of year	2,247,088	2,784,213
Cash, end of year	\$ 3,283,379	\$ 2,247,088

The accompanying notes and supplementary schedules are an integral part of these financial statements.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES
For the Year Ended March 31

2024

2023

Eastern Division

Arnold's Cove	\$ 9,583	\$ 6,614
Bay Roberts	76,338	75,003
Bell Island	1,195	1,087
Bonavista	6,135	6,900
Brigus	8,717	8,642
Burin	1,266	1,036
Carbonear	42,512	41,232
Catalina	5,143	5,037
Clareville	20,230	16,874
Conception Bay South	282,877	112,977
Fortune	952	906
Fox Harbour	5,452	5,404
Garnish	942	739
Grand Bank	15,536	13,496
Harbour Grace	13,912	11,147
Holyrood	6,992	6,580
Marystown	857	851
Mount Pearl	18,818	13,907
Old Perlican	2,229	747
Placentia	26,787	27,352
Pouch Cove	1,825	1,824
St. Brides	8,004	8,046
St. Lawrence	1,595	1,203
Torbay	29,661	28,788
Trepassey	11,300	9,491
Victoria	1,006	883
Whitbourne	4,334	3,162
Winterton	794	570
	604,992	410,498

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (cont.)
For the Year Ended March 31

	2024	2023
Central Division		
Baie Verte	7,195	6,765
Bishop's Falls	1,619	1,421
Botwood	16,514	11,181
Buchans	1,180	1,102
Carmanville	1,136	1,841
Centerville	2,226	1,297
Change Islands	690	639
Fogo	1,638	1,447
Gambo	10,108	9,847
Gander	49,348	50,439
Gaultois	3,683	2,647
Glenwood	1,730	1,333
Glovertown	2,976	1,691
Grand Falls-Windsor	5,344	5,529
Greenspond	6,104	4,494
Harbour Breton	1,300	698
Hare Bay	1,289	1,256
Harry's Harbour	5,396	5,064
Hermitage	1,040	1,696
King's Point	4,448	4,871
La Scie	-	543
Lewisporte	10,245	11,111
Lumsden	1,171	624
Musgrave Harbour	1,198	965
Norris Arm	2,742	2,097
Point Leamington	1,548	1,602
Robert's Arm	4,998	4,752
St. Albans	1,655	5,196
Seal Cove	2,298	824
Springdale	1,141	1,108
Summerford	3,596	3,748
Twillingate	1,437	1,818
Wesleyville	1,216	705
	158,209	150,351

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (cont.)
For the Year Ended March 31

	2024	2023
Western Newfoundland - Labrador Division		
Bay St. George South	941	738
Burgeo	1,076	1,186
Cape St. George	876	1,473
Cartwright	747	546
Codroy Valley	654	422
Cormack	2,258	1,817
Corner Brook	208,156	204,211
Cow Head	8,832	7,425
Daniel's Harbour	1,392	1,434
Deer Lake	21,992	18,149
Happy Valley	1,091	2,324
Labrador City	37,711	30,617
L'Anse au Loup	1,293	877
Lark Harbour	752	786
Lourdes	868	701
Norris Point	3,311	2,968
Pasadena	4,140	3,544
Port au Port	1,846	1,285
Port aux Basques	22,443	19,490
Port Saunders	10,915	5,455
Ramea	2,199	769
Rocky Harbour	485	464
St. Anthony	2,884	5,038
St. George's	1,045	1,096
Sops Arm	1,085	1,625
Stephenville	53,879	58,356
Stephenville Crossing	1,741	1,792
Wabush	2,768	2,240
Woody Point	5,442	9,661
	402,822	386,489
	\$1,166,023	\$ 947,338

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

1. Nature of operations

The Provincial Information and Library Resources Board (the Board) operates under the authority of the Public Libraries Act. The purpose of the Board is to operate the public libraries in the Province. A majority of the members of the Board are appointed by the Lieutenant-Governor in Council. The Board reports to the Minister of Education.

The reporting entity for the purpose of these financial statements is the Board's head office and divisional offices. These financial statements include expenditures for grants made to local libraries under the jurisdiction of the three divisional library boards detailed in the Schedule to the financial statements. Funds raised by local libraries are not reflected in these financial statements.

The Board is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Board is classified as an Other Government Organization as defined by Canadian public sector accounting standards (CPSAS). These financial statements have been prepared by the Board's management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). Outlined below are the significant accounting policies followed.

(b) Financial instruments

The Board's financial instruments recognized in the statement of financial position consists of cash, accounts receivable, due from Province, portfolio investments and accounts payable and accrued liabilities. The Board generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Board subsequently measures all of its financial assets and financial liabilities at cost except for portfolio investments in equity instruments that are quoted in an active market, which are measured at fair value. Financial assets measured at cost include cash, accounts receivable and due from Province. Financial liabilities measured at cost include accounts payable and accrued liabilities.

The carrying values of cash, accounts receivable, due from Province and accounts payable and accrued liabilities approximate current fair value due to their nature and the short-term maturity associated with these instruments.

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

The Board uses the quoted market price as at the fiscal year end to measure the fair value of its portfolio investments. Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations.

Interest and dividends attributable to financial instruments are reported in the statement of operations.

(c) Cash

Cash includes cash in bank.

(d) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, betterment or retirement of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Building improvements	10 years
Furniture and equipment	10 years
Motor vehicles	5 years
Computer equipment	3 years
Software	5 years

2. Summary of significant accounting policies (cont.)

(d) Tangible capital assets (cont.)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Board's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed tangible capital assets are recorded as revenue at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

(e) Inventories held for use

Inventories held for use include office supplies and postage, and are recorded at the lower of historical cost and replacement cost.

(f) Prepaid expenses

Prepaid expenses include subscriptions, insurance and licenses, and are charged to expenses over the periods expected to benefit from it.

(g) Employee future benefits

Employee future benefits include severance pay and accumulating non-vesting sick leave benefits.

- (i) Severance is accounted for on an accrual basis and is calculated based upon years of service and salary levels at the cessation of the plans.
- (ii) The cost of accumulating non-vesting sick leave benefits is actuarially determined using management's best estimates of long-term inflation rates, compensation increases, discount rate and remaining service life.

Under the Public Libraries Act, certain employees of the Board are subject to the Public Service Pensions Act, 2019. Employee contributions are matched by the Board and remitted to Provident¹⁰ from which pensions will be paid to employees when they retire. This plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best 6 years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 5 years of earnings up to January 1, 2015, or the average of the best 6 years of earnings for all service.

Employee future benefits expenses are included with salaries and benefits in the Board's financial statements.

2. Summary of significant accounting policies (cont.)

(h) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Exchange transactions are transactions where goods or services are provided to a payor for consideration. These transactions include performance obligations for the Board arising directly from a payment or promise of consideration by a payor. These transactions are not necessarily exchanges of fair or equal value.

The Board's privately funded projects' revenues and local board contribution revenues are exchange transactions, with performance obligations.

Interest revenue is bank interest and recognized when earned.

Dividend revenue on portfolio investments is recognized when the dividend is declared.

Government transfers (Province of Newfoundland and Labrador and Government of Canada grants) are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation related to the liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

(i) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense in that year.

Transfers include operating grants to local libraries. These transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

2. Summary of significant accounting policies (cont.)

(j) Measurement uncertainty

The preparation of financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the estimated cost of asset retirement obligations, the expected future life of tangible capital assets and the probability of future sick leave benefits utilized by employees.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(k) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets, such as asbestos removal in retired buildings. The asset retirement obligation is initially measured using the best estimate of the amount required to retire a tangible capital asset at the financial statement date.

The Board reconsiders the carrying amount of the liability for an asset retirement obligation at each financial reporting date as new information becomes available regarding the estimated cost to settle the liability.

Due to the uncertainty of building retirement dates and the large range of retirement for other assets, the Board has not discounted the costs associated with asset retirement obligations and cannot reliably estimate the timing of expenditures.

3. Accounts receivable

	<u>2024</u>	<u>2023</u>
Federal Government		
Harmonized Sales Tax	\$ 43,261	\$ 29,485
Digital Literacy Exchange Program	64,539	1,372
Other	46,169	30,922
	<hr/> \$ 153,969	<hr/> \$ 61,779

There is no allowance for doubtful accounts since all amounts are considered collectible.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

4. Portfolio investments

Portfolio investments consist of 1,678 shares of Sun Life Financial Inc. which were given to the Board as a result of the demutualization of Sun Life Assurance Company of Canada. The carrying value of the shares is equal to their market price at the time of transfer to the Board.

	<u>Market Value</u>		<u>Carrying Value</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Investments held directly				
Sun Life Financial Inc				
- 1,678 shares	\$ 124,021	\$ 105,949	\$ 23,492	\$ 23,492

5. Accounts payable and accrued liabilities

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 170,353	\$ 78,086
Accrued salaries and benefits	660,184	612,881
	<u>\$ 830,537</u>	<u>\$ 690,967</u>

6. Employee future benefits

Employee future benefits consists of:

	<u>2024</u>	<u>2023</u>
Severance pay	\$ 43,909	\$ 43,909
Accumulating non-vesting sick leave benefit liability (a)	532,519	545,292
	<u>\$ 576,428</u>	<u>\$ 589,201</u>

(a) Accumulating non-vesting sick leave benefit liability

	<u>2024</u>	<u>2023</u>
Accrued accumulating non-vesting sick leave benefit obligation, end of year	\$ 431,387	\$ 426,230
Unamortized actuarial gain, end of year	101,132	119,062
Accumulating non-vesting sick leave benefit liability, end of year	<u>\$ 532,519</u>	<u>\$ 545,292</u>

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

6. Employee future benefits (cont.)

(b) Change in accumulating non-vesting sick leave benefit liability

	<u>2024</u>	<u>2023</u>
Current year benefit cost	\$ 48,346	\$ 50,324
Interest on accrued benefit obligation	18,875	15,573
Amortization of actuarial gains	(23,729)	(20,242)
Accumulating non vesting sick leave benefit expense	43,492	45,655
Benefit payments	(56,265)	(54,759)
Change in accumulating non-vesting sick leave benefit liability	\$ (12,773)	\$ (9,104)

(c) Employee future benefits

(i) Severance pay

Employees of the Board as at March 31, 2018, as represented by the Canadian Union of Public Employees (CUPE), were entitled to severance pay. No further severance will accrue for these employees after March 31, 2018.

Executives, managers, and non-management/non-union employees of the Board were entitled to severance pay. No further severance will accrue for these employees after May 31, 2018.

CUPE employees who had at least one year of eligible service as at March 31, 2018 and executives, managers, and non-management/non-union employees who had at least one year of eligible service as at May 31, 2018 had the option of receiving their severance entitlement during the fiscal year ended March 31, 2019, or deferring it to a later date.

The severance liability as at March 31, 2024 represents severance owing to employees who deferred receiving their severance entitlement.

6. Employee future benefits (cont.)

(c) Employee future benefits (cont.)

(ii) Accumulating non-vesting sick leave benefits

All unionized employees hired before May 4, 2004, are credited with 2 days per month and all unionized employees hired thereafter are credited with 1 day per month for use as paid absences in the year due to illness. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness exceeds the current year's allocation of credits. The use of accumulated sick days for sick leave compensation ceases on termination of employment. The benefit costs and liabilities related to the plan are included in the financial statements. For the year ended March 31, 2024, a sick leave liability was calculated for 190 employees.

The accrued benefit obligation for accumulating non-vesting sick leave benefits for the year ended March 31, 2024, is based on an actuarial extrapolation for accounting purposes to March 31, 2024 (valuation date as of March 31, 2021).

The actuarial extrapolation is based on assumptions about future events. The economic assumptions used in this extrapolation are the Board's best estimates of compensation increases of 3.50% per annum and discount rate of 4.706%. Other assumptions used in the extrapolation include estimates of expected termination rates, utilization rates and mortality rates.

Actuarial assumptions are reviewed and assessed on a regular basis to ensure that the accounting assumptions take into account various changing conditions and reflect the Board's best estimate of expectations over the long term.

Experience gains or losses are amortized over 14 years, which is the estimated average remaining service life of active employees. The amortization amount will be included as an expense in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

(iii) Pension contributions

The Board and its employees contribute to the Public Service Pension Plan in accordance with the Public Service Pensions Act, 2019 (the Act). The plan is administered by Provident¹⁰, including payment of pension benefits to employees to whom the Act applies.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
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6. Employee future benefits (cont.)

(c) Employee future benefits (cont.)

(iii) Pension contributions (cont.)

The plan provides a pension to employees based on their age at retirement, length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (2023 - 11.85%). The Board's contributions equal the employees' contributions to the plan. Total Public Service Pension Plan expense for the Board for the year ended March 31, 2024, was \$484,162 (2023 - \$406,127).

Employees who do not qualify to participate in the Public Service Pension Plan (for example, part-time employees) participate in the Government Money Purchase Pension Plan (GMPP). The GMPP is a defined contribution plan which was established under the Government Money Purchase Pension Plan Act. Employees are required to contribute 5% of regular earnings which is matched by the Board. Employees may make additional voluntary contributions, however, the maximum amount for all contributions may not exceed the lesser of 18% of an employee's earnings and the maximum amount allowed as specified under the Income Tax Act. Total GMPP expense for the Board for the year ended March 31, 2024, was \$108,506 (2023 - \$111,058).

7. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. As at March 31, 2024, the Board reported the following:

	Balance at beginning of year	Receipts during year	Transferred to revenue	Balance at end of year
Provincial source revenue	\$ 236,151	\$ 1,455,622	\$ 451,873	\$ 1,239,900
Other source revenue	145,713	220,928	205,728	160,913
	\$ 381,864	\$ 1,676,550	\$ 657,601	\$ 1,400,813

Deferred revenue relates to grants received for specific programs such as literacy initiatives, musical instrument lending and library materials which have not yet been spent for these purposes by the Board. These amounts will be recognized as revenue when the specific program expenses are incurred.

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8. Privately funded projects

The Board delivered various privately funded projects as follows:

Revenue	<u>2024</u>	<u>2023</u>
Sun Life Musical Instruments Lending Program	\$ 6,048	\$ 6,785
TD Black History Month	-	13,741
TD Indigenous Story Teller	13,157	-
TD Summer Reading Program	257	258
United Way	516	410
	<u>\$ 19,978</u>	<u>\$21,194</u>

Expenses

Sun Life Musical Instruments Lending Program	\$ 6,048	\$ 6,785
TD Black History Month	-	15,180
TD Indigenous Story Teller	13,157	-
TD Summer Reading Program	257	258
United Way	516	-
	<u>\$ 19,978</u>	<u>\$22,223</u>

9. Contractual obligations

The Board has entered into lease agreements for postal equipment and various rental properties throughout the Province. Future minimum lease payments are as follows:

2025	\$ 757,492
2026	699,566
2027	655,134
2028	444,330
2029	438,811
Thereafter	<u>4,795,769</u>
	<u>\$ 7,791,102</u>

10. Asset retirement obligations

Asset retirement obligations are comprised of the following:

	<u>2024</u>	<u>2023</u>
<u>Buildings</u>	<u>\$193,250</u>	<u>\$193,250</u>
	<u>\$193,250</u>	<u>\$193,250</u>

The Board has recorded asset retirement obligations related to 19 local library board buildings owned by the Board.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

11. Tangible capital assets

Original cost

	Balance March 31, 2023	Additions	Disposals	Balance March 31, 2024
Land	\$ 285,907	\$ -	\$ -	\$ 285,907
Buildings	1,758,867	-	-	1,758,867
Building improvements	2,771,532	234,435	-	3,005,967
Asset retirement obligations	193,250	-	-	193,250
Furniture and equipment	2,161,202	71,778	20,905	2,212,075
Motor vehicles	271,936	43,053	25,937	289,052
Computer equipment	1,046,039	133,730	46,169	1,133,600
Software	168,688	-	-	168,688
	\$ 8,657,421	\$ 482,996	\$ 93,011	\$ 9,047,406

Accumulated amortization

	Balance March 31, 2023	Amortization	Disposals	Balance March 31, 2024	Net book value March 31, 2024	Net book value March 31, 2023
Land	\$ -	\$ -	\$ -	\$ -	\$ 285,907	\$ 285,907
Buildings	1,570,789	25,064	-	1,595,853	163,014	188,078
Building improvements	2,238,318	130,149	-	2,368,467	637,500	533,214
Asset retirement obligations	183,265	994	-	184,259	8,991	9,985
Furniture and equipment	1,845,273	53,475	20,905	1,877,843	334,232	315,929
Motor vehicles	195,328	53,260	25,937	222,651	66,401	76,608
Computer equipment	961,809	93,719	46,169	1,009,359	124,241	84,230
Software	168,688	-	-	168,688	-	-
	\$7,163,470	\$ 356,661	\$ 93,011	\$7,427,120	\$1,620,286	\$1,493,951

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

12. Trusts under administration

Trust funds administered by the Board have not been included in the financial statements as expenditures of these funds are not controlled by the Board. The balances of funds held in trust are as follows:

	<u>2024</u>	<u>2023</u>
Local libraries - deposits	\$ 300,913	\$ 272,277
Provincial/Territorial Public Library Council	44,646	80,203
	<u>\$ 345,559</u>	<u>\$ 352,480</u>

Funds raised by some local libraries have been deposited with the Board to cover the cost of wages for additional opening hours and for the purchase of books, periodicals and computers. The balance on deposit at March 31, 2024 consists of cash of \$185,086 (2023 - \$160,696), and 9,651 shares (2023 - 9,239 shares) of various Investor Group Mutual Funds held in trust for the St. John's Public Library Board which were donated to the Board. The carrying value of the mutual funds is recognized at \$115,827 (2023 - \$111,581), as determined by the average cost at the time the shares were acquired by the Board. The fair market value of these shares at March 31, 2024 was \$203,679 (2023 - \$172,305).

The Provincial/Territorial Public Library Council is a national public library group comprising the provincial/territorial public library directors or senior policy advisors whose mandate is to facilitate the coordination of cross-jurisdictional public-library initiatives and to act as a point of contact with national library organizations and the Federal government. The membership fees are paid annually into an account for operational support and special projects. The group has established guidelines regarding funding expenditures.

13. Related party transactions

Province of Newfoundland and Labrador

The Board receives grant funding from the Province of Newfoundland and Labrador. During the year, the Board received or was owed grants totaling \$14,323,905 (2023 - \$11,835,653). The Board recognized \$13,320,156 (2023 - \$11,966,386) in revenue from the Province of Newfoundland and Labrador. These transactions are in the normal course of business measured at the exchange amount.

14. Budget

The Board's budget is prepared on a cash basis and approved by the Board of Directors. The 2024 budget expenses exceeded the Board's budgeted revenues and the expected difference would be funded from cash surpluses carried forward from prior years. Budgeted figures included in the financial statements are not audited.

15. Donated acquisitions

Donated acquisitions include gifts of artwork, books, periodicals, DVDs and other library resources that the Board has received. Donated acquisitions are not reflected in the Board's financial statements.

During the year, the Board issued receipts for non-cash donations of \$10,854 (2023 - \$12,114). Tax receipts are issued to the donor based on established rates per policy or an appraised value.

16. Financial risk management

The Board recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The Board is exposed to credit risk, liquidity risk and market risk through its financial instruments. There was no significant change in the Board's exposure to these risks or its processes for managing these risks from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Board's main credit risk relates to cash, accounts receivable and due from Province. The Board's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Board is not exposed to significant credit risk with its cash because this financial instrument is held with a chartered bank. The Board is not exposed to significant credit risk related to its accounts receivable and due from Province as it has policies and procedures for the monitoring and collection of its accounts receivable and due from Province so as to mitigate potential credit losses. Any estimated impairment of these accounts receivable and due from Province have been provided for through a provision for doubtful accounts. At the present time there is no provision for doubtful accounts as all amounts are considered collectible.

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its contractual obligations and financial liabilities. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its contractual obligations and financial liabilities. The Board's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, and contractual obligations. The future minimum payments required from the Board in relation to its contractual obligations are outlined in Note 9.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

16. Financial risk management (cont.)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Board is not exposed to significant foreign exchange risk. In addition, the Board is not exposed to significant interest rate risk related to cash because of its nature.

The Board is exposed to other price risk on its portfolio investments (equity investments) as the investments are quoted in an active market in which share pricing can fluctuate. The Board's maximum other price risk is limited to the fair value of the shares as at March 31, 2024. As the Board's investment consists of 1,678 shares, any price fluctuation of \$1 to the quoted market price will result in an unrecognized gain or loss of \$1,678 for the Board.

17. Expenses by object

	2024 <u>Budget</u> Unaudited (Note 14)	2024 <u>Actual</u>	2023 <u>Actual</u>
Amortization	\$ -	\$ 356,661	\$ 314,454
Books and Periodicals	927,500	1,019,140	974,924
Computerization of Libraries	415,118	440,639	338,219
Conference and Workshops	30,000	15,587	15,906
Freight and Postage	58,250	48,242	46,773
Library Operations (Grants)	1,102,521	1,166,023	947,338
Insurance	93,020	94,474	94,611
Miscellaneous	-	156	47
Office and Library Supplies	102,211	149,236	113,330
Pandemic – COVID-19	-	-	10,257
Professional Fees	33,000	41,469	78,662
Rental of Premises	365,590	365,590	365,590
Repairs and Maintenance	22,000	60,230	44,919
Salaries and Benefits	9,491,398	9,957,849	8,847,219
Telephone	36,600	51,721	45,618
Travel	92,200	108,937	81,097
	\$12,769,408	\$13,875,954	\$12,318,964

18. Non-financial assets

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Board. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Board's objectives.

19. Change in significant accounting policies

The Board adopted PS 3400 Revenue, effective April 1, 2023, which establishes standards on how to account for and report on revenue. PS 3400 sets out general guidance for how entities recognize, measure, present and disclose revenue arising from transactions that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when a performance obligation is satisfied.

PS 3400 has been applied prospectively to these financial statements and, as permitted by the transitional provisions, prior periods were not restated.

The implementation of this new Section did not have a material impact on the financial statements.