



**PROVINCIAL INFORMATION AND  
LIBRARY RESOURCES BOARD**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

## **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.



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



## 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, 2023, 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, 2023, 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 17, 2023  
St. John's, Newfoundland and Labrador

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

	<b>2023</b>	<b>2022</b>
<b>FINANCIAL ASSETS</b>		Restated (Note 18)
Cash	\$ 2,247,088	\$ 2,784,213
Accounts receivable (Note 3)	61,779	68,930
Due from Province	158,000	-
Portfolio investments (Note 4)	105,949	117,124
	<b>2,572,816</b>	<b>2,970,267</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	690,967	773,672
Employee future benefits (Note 6)	589,201	598,305
Deferred revenue (Note 7)	381,864	485,053
Asset retirement obligations (Notes 10 & 18)	193,250	193,250
	<b>1,855,282</b>	<b>2,050,280</b>
<b>Net financial assets</b>	<b>717,534</b>	<b>919,987</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories held for use	52,453	56,381
Prepaid expenses	151,140	119,902
Tangible capital assets (Note 11)	1,493,951	1,363,686
	<b>1,697,544</b>	<b>1,539,969</b>
<b>Accumulated surplus</b>	<b>\$ 2,415,078</b>	<b>\$ 2,459,956</b>
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 2,332,621	\$ 2,366,324
Accumulated remeasurement gains	82,457	93,632
	<b>\$ 2,415,078</b>	<b>\$ 2,459,956</b>
<b>Contractual obligations (Note 9)</b>		
<b>Trusts under administration (Note 12)</b>		

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

Signed on behalf of the Board:

Malper  
Chairperson

Hilary Munro  
Member

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

	2023 Budget	2023 Actual	2022 Actual
	Unaudited (Note 14)		Restated (Note 18)
<b>REVENUE</b>			
Province of Newfoundland and Labrador			
Operating grant	\$ 11,490,200	\$ 11,605,079	\$ 11,309,056
Capital grant	120,000	120,000	120,000
Adult literacy project	-	113,899	28,916
Early literacy program	-	59,093	75,989
Kinderstart		68,315	-
Canada and NL summer jobs	-	10,556	-
Digital literacy exchange program (Federal Gov't)	-	1,372	-
Miscellaneous	50,000	71,317	44,494
Fines and lost library materials	5,000	5,571	2,768
Interest	25,000	118,318	22,332
Gain on disposal of tangible capital assets	-	-	473
St. John's outreach – mobile van	-	13,792	36,585
AC Hunter – local board contribution	-	15,354	-
CBS new location – local board contribution	-	56,669	-
Dividend revenue	-	4,732	4,061
Privately funded projects (Note 8)	-	21,194	21,121
	<b>11,690,200</b>	<b>12,285,261</b>	<b>11,665,795</b>
<b>EXPENSES (Note 17)</b>			
Administration	2,230,567	2,556,976	2,427,410
Amortization	-	314,454	287,831
Adult literacy project	-	109,017	28,916
Digital literacy exchange program (Federal Gov't)	-	1,372	-
Early literacy program	-	59,093	75,989
Kinderstart		68,315	-
Library collection	1,618,353	1,668,505	1,725,654
Library operations	7,685,582	7,185,430	6,959,734
Privately funded projects (Note 8)	-	22,223	20,568
Public computer access	377,234	319,787	336,153
St. John's outreach – mobile van	-	13,792	3,577
	<b>11,911,736</b>	<b>12,318,964</b>	<b>11,865,832</b>
<b>Annual operating deficit</b>	<b>(221,536)</b>	<b>(33,703)</b>	<b>(200,037)</b>
<b>Accumulated operating surplus, beginning of year</b>	<b>2,366,324</b>	<b>2,366,324</b>	<b>2,566,361</b>
<b>Accumulated operating surplus, end of year</b>	<b>\$ 2,144,788</b>	<b>\$ 2,332,621</b>	<b>\$ 2,366,324</b>

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**

**2023**

**2022**

<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 93,632</b>	<b>\$ 83,078</b>
Unrealized gains (losses) attributable to:		
<u>Portfolio investments</u>	<u>(11,175)</u>	<u>10,554</u>
<b><u>Accumulated remeasurement gains, end of year</u></b>	<b><u>\$ 82,457</u></b>	<b><u>\$ 93,632</u></b>

**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**

	2023 Budget	2023 Actual	2022 Actual
<b>Unaudited (Note 14)</b>			<b>Restated (Note 18)</b>
<u>Annual operating deficit</u>	<b><u><math>(221,536)</math></u></b>	<b><u><math>(33,703)</math></u></b>	<b><u><math>(200,037)</math></u></b>
<b>Changes in other non-financial assets</b>			
Use of prepaid expenses	-	<b>119,902</b>	120,831
Acquisition of prepaid expenses	-	<b>(151,140)</b>	(119,902)
<u>Net use of inventories held for use</u>	<u>-</u>	<u>3,928</u>	<u>4,072</u>
		<b><u>(27,310)</u></b>	<b><u>5,001</u></b>
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	-	<b>(444,719)</b>	(397,488)
<u>Amortization of tangible capital assets</u>	<u>-</u>	<u>314,454</u>	<u>287,831</u>
		<b><u>(130,265)</u></b>	<b><u>(109,657)</u></b>
<u>Effect of remeasurement gains for the year</u>	<u>-</u>	<u>(11,175)</u>	<u>10,554</u>
<b>Decrease in net financial assets</b>	<b><math>(221,536)</math></b>	<b><math>(202,453)</math></b>	<b><math>(294,139)</math></b>
<b><u>Net financial assets, beginning of year</u></b>	<b><u>919,987</u></b>	<b><u>919,987</u></b>	<b><u>1,214,126</u></b>
<b><u>Net financial assets, end of year</u></b>	<b><u>\$ 698,451</u></b>	<b><u>\$ 717,534</u></b>	<b><u>\$ 919,987</u></b>

**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

2023

2022

### Operating transactions

Annual operating deficit	\$ (33,703)	\$ (200,037)
Adjustment for non-cash items		
Amortization	314,454	287,831
Gain on disposal of tangible capital assets	-	(473)
	280,751	87,321
Change in non-cash operating items		
Accounts receivable	7,151	(30,142)
Due from Province	(158,000)	-
Accounts payable and accrued liabilities	(82,705)	111,376
Employee future benefits	(9,104)	(52,679)
Deferred revenue	(103,189)	19,355
Inventories held for use	3,928	4,072
Prepaid expenses	(31,238)	929
<b>Cash (applied to) provided from operating transactions</b>	<b>(92,406)</b>	<b>140,232</b>

### Capital transactions

Acquisition of tangible capital assets	(444,719)	(397,488)
Proceeds from disposal of tangible capital assets	-	473
<b>Cash applied to capital transactions</b>	<b>(444,719)</b>	<b>(397,015)</b>

### Financing transactions

Repayments of obligations under capital lease	-	(3,398)
<b>Cash applied to financing transactions</b>	<b>-</b>	<b>(3,398)</b>
<b>Decrease in cash</b>	<b>(537,125)</b>	<b>(260,181)</b>
<b>Cash, beginning of year</b>	<b>2,784,213</b>	<b>3,044,394</b>
<b>Cash, end of year</b>	<b>\$ 2,247,088</b>	<b>\$ 2,784,213</b>

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**

**2023**

**2022**

**Eastern Division**

Arnold's Cove	\$ 6,614	\$ 6,426
Bay Roberts	75,003	74,479
Bell Island	1,087	925
Bonavista	6,900	4,834
Brigus	8,642	8,886
Burin	1,036	1,012
Carbonear	41,232	41,054
Catalina	5,037	4,900
Clarenville	16,874	21,822
Conception Bay South	112,977	10,663
Fortune	906	677
Fox Harbour	5,404	5,403
Garnish	739	627
Grand Bank	13,496	9,591
Harbour Grace	11,147	11,676
Holyrood	6,580	6,380
Marystown	851	698
Mount Pearl	13,907	11,776
Old Perlican	747	74
Placentia	27,352	26,764
Pouch Cove	1,824	1,798
St. Brides	8,046	7,765
St. Lawrence	1,203	728
Torbay	28,788	27,956
Trepassey	9,491	9,203
Victoria	883	972
Whitbourne	3,162	2,843
<u>Winterton</u>	<u>570</u>	<u>536</u>
	<b>410,498</b>	<b>300,468</b>

**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**

**SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (cont.)**

**For the Year Ended March 31**

	<b>2023</b>	<b>2022</b>
<b>Central Division</b>		
Baie Verte	6,765	7,469
Bishop's Falls	1,421	2,091
Botwood	11,181	11,565
Buchans	1,102	689
Carmanville	1,841	893
Centerville	1,297	1,275
Change Islands	639	581
Fogo	1,447	1,186
Gambo	9,847	9,852
Gander	50,439	50,156
Gaultois	2,647	3,324
Glenwood	1,333	1,406
Glovertown	1,691	1,803
Grand Falls-Windsor	5,529	6,551
Greenspond	4,494	4,548
Harbour Breton	698	653
Hare Bay	1,256	1,109
Harry's Harbour	5,064	4,915
Hermitage	1,696	606
King's Point	4,871	4,708
La Scie	543	934
Lewisporte	11,111	12,833
Lumsden	624	624
Musgrave Harbour	965	980
Norris Arm	2,097	2,103
Point Leamington	1,602	1,676
Robert's Arm	4,752	4,443
St. Albans	5,196	5,791
Seal Cove	824	1,320
Springdale	1,108	3,347
Summerford	3,748	1,188
Twillingate	1,818	1,346
Wesleyville	705	1,865
	<b>150,351</b>	<b>153,830</b>

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

	<b>2023</b>	<b>2022</b>
<b>Western Newfoundland -</b>		
<b>Labrador Division</b>		
Bay St. George South	738	1,535
Burgeo	1,186	1,094
Cape St. George	1,473	881
Cartwright	546	741
Codroy Valley	422	673
Cormack	1,817	2,126
Corner Brook	204,211	203,074
Cow Head	7,425	7,744
Daniel's Harbour	1,434	1,589
Deer Lake	18,149	16,546
Happy Valley	2,324	2,267
Labrador City	30,617	28,898
L'Anse au Loup	877	1,027
Lark Harbour	786	790
Lourdes	701	911
Norris Point	2,968	3,207
Pasadena	3,544	5,360
Port au Port	1,285	1,327
Port aux Basques	19,490	15,023
Port Saunders	5,455	5,843
Ramea	769	687
Rocky Harbour	464	480
St. Anthony	5,038	2,984
St. George's	1,096	1,418
Sops Arm	1,625	1,353
Stephenville	58,356	54,577
Stephenville Crossing	1,792	1,426
Wabush	2,240	2,504
Woody Point	9,661	5,973
	<b>386,489</b>	<b>372,058</b>
	<b>\$ 947,338</b>	<b>\$ 826,356</b>

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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### 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 consist 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.

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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### 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
Assets under capital lease	10 years

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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## 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 Provident<sup>10</sup> 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.

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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## 2. Summary of significant accounting policies (cont.)

### (h) Revenues

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

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.

### (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.

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 2. Summary of significant accounting policies (cont.)

#### (k) Asset Retirement Obligations

On April 1, 2022, the Board adopted PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption.

### 3. Accounts receivable

	<u>2023</u>	<u>2022</u>
Federal Government		
Harmonized Sales Tax	\$ 29,485	\$ 57,449
Digital Literacy Exchange Program	1,372	-
Other	<u>30,922</u>	<u>11,481</u>
	<hr/> <u>\$ 61,779</u>	<hr/> <u>\$ 68,930</u>

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

### 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Investments held directly				
Sun Life Financial Inc				
- 1,678 shares	<u>\$ 105,949</u>	<u>\$ 117,124</u>	<u>\$ 23,492</u>	<u>\$ 23,492</u>

### 5. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 78,086	\$ 179,983
Accrued salaries and benefits	<u>612,881</u>	<u>593,689</u>
	<hr/> <u>\$ 690,967</u>	<hr/> <u>\$ 773,672</u>

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 6. Employee future benefits

Employee future benefits consists of:

	<u>2023</u>	<u>2022</u>
Severance pay	\$ 43,909	\$ 43,909
<u>Accumulating non-vesting sick leave benefit liability (a)</u>	<u>545,292</u>	<u>554,396</u>
	<hr/> <u>\$ 589,201</u>	<hr/> <u>\$ 598,305</u>

#### (a) Accumulating non-vesting sick leave benefit liability

	<u>2023</u>	<u>2022</u>
Accrued accumulating non-vesting sick leave benefit obligation, end of year	\$ 426,230	\$ 438,446
<u>Unamortized actuarial gain, end of year</u>	<u>119,062</u>	<u>115,950</u>
Accumulating non-vesting sick leave benefit liability, end of year	<hr/> <u>\$ 545,292</u>	<hr/> <u>\$ 554,396</u>

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

	<u>2023</u>	<u>2022</u>
Current year benefit cost	\$ 50,324	\$ 50,772
Interest on accrued benefit obligation	15,573	13,647
<u>Amortization of actuarial gains</u>	<u>(20,242)</u>	<u>(19,335)</u>
<u>Accumulating non vesting sick leave benefit expense</u>	<hr/> <u>45,655</u>	<hr/> <u>45,084</u>
<u>Benefit payments</u>	<hr/> <u>(54,759)</u>	<hr/> <u>(53,293)</u>
<u>Change in accumulating non-vesting sick leave benefit liability</u>	<hr/> <u>\$ (9,104)</u>	<hr/> <u>\$ (8,209)</u>

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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### 6. Employee future benefits (cont.)

#### (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, 2023 represents severance owing to employees who deferred receiving their severance entitlement.

##### (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, 2023, 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, 2023, is based on an actuarial extrapolation for accounting purposes to March 31, 2023 (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 4.47%. Other assumptions used in the extrapolation include estimates of expected termination rates, utilization rates and mortality rates.

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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### 6. Employee future benefits (cont.)

#### (c) Employee future benefits (cont.)

##### (ii) Accumulating non-vesting sick leave benefits (cont.)

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 Provident<sup>10</sup>, including payment of pension benefits to employees to whom the Act applies.

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% (2022 - 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, 2023, was \$406,127 (2022 - \$422,632).

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, 2023, was \$111,058 (2022 - \$109,354).

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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### 7. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. As at March 31, 2023, the Board reported the following:

	<b>Balance at beginning of year</b>	<b>Receipts during year</b>	<b>Transferred to revenue</b>	<b>Balance at end of year</b>
Provincial source revenue	\$ 366,884	\$ 110,574	\$ 241,307	\$ 236,151
<u>Other source revenue</u>	118,169	116,222	88,678	<u>145,713</u>
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 485,053	\$ 226,796	\$ 329,985	\$ 381,864

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.

### 8. Privately funded projects

The Board delivered various privately funded projects as follows:

Revenue	<u>2023</u>	<u>2022</u>
Sun Life Musical Instruments Lending Program	\$ 6,785	\$ 7,960
TD Black History Month	13,741	12,789
TD Summer Reading Program	258	372
<u>United Way</u>	410	-
	<hr/>	<hr/>
	\$21,194	\$21,121

### Expenses

Sun Life Musical Instruments Lending Program	\$ 6,785	\$ 7,407
TD Black History Month	15,180	12,789
<u>TD Summer Reading Program</u>	258	372
	<hr/>	<hr/>
	\$22,223	\$20,568

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

### 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:

2024	\$ 799,415
2025	724,906
2026	682,906
2027	638,474
2028	427,670
Thereafter	<u>5,223,439</u>
	 <u>\$ 8,496,810</u>

### 10. Asset retirement obligations

Effective April 1, 2022 the Board implemented PS3280 Asset Retirement Obligations standard. Asset retirement obligations are comprised of the following:

	<u>2023</u>	<u>2022</u> (Note 18)
Buildings	<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.

### 11. Tangible capital assets

#### Original cost

	<u>Balance March 31, 2022</u> (Note 18)	<u>Additions</u>	<u>Disposals</u>	<u>Balance March 31, 2023</u>
Land	\$ 285,907	\$ -	\$ -	\$ 285,907
Buildings	1,758,867	-	-	1,758,867
Building improvements	2,662,159	109,373	-	2,771,532
Asset retirement obligations	193,250	-	-	193,250
Furniture and equipment	1,954,743	230,086	23,627	2,161,202
Motor vehicles	271,936	-	-	271,936
Computer equipment	990,028	105,260	49,249	1,046,039
Software	168,688	-	-	168,688
	 \$ 8,285,578	 \$ 444,719	 \$ 72,876	 \$ 8,657,421

**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

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**11. Tangible capital assets (cont.)**

**Accumulated Amortization**

	<b>Balance March 31, 2022</b>	<b>Amortization</b>	<b>Disposals</b>	<b>Balance March 31, 2023</b>	<b>Net book value March 31, 2023</b>	<b>Net book value March 31, 2022</b>
	(Note 18)			(Note 18)		
Land	\$ -	\$ -	\$ -	\$ -	\$ 285,907	\$ 285,907
Buildings	1,540,725	30,064	-	1,570,789	188,078	218,142
Building improvements	2,130,029	108,289	-	2,238,318	533,214	532,130
Asset retirement obligations	182,067	1,198	-	183,265	9,985	11,183
Furniture and equipment	1,808,588	60,312	23,627	1,845,273	315,929	146,155
Motor vehicles	163,594	31,734	-	195,328	76,608	108,342
Computer equipment	928,201	82,857	49,249	961,809	84,230	61,827
Software	168,688	-	-	168,688	-	-
	<b>\$6,921,892</b>	<b>\$ 314,454</b>	<b>\$ 72,876</b>	<b>\$7,163,470</b>	<b>\$1,493,951</b>	<b>\$1,363,686</b>

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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### 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>2023</u>	<u>2022</u>
Local libraries - deposits	\$ 272,277	\$ 265,664
Provincial/Territorial Public Library Council	80,203	82,703
	<hr/> <b>\$ 352,480</b>	<hr/> <b>\$ 348,367</b>

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, 2023 consists of cash of \$160,696 (2022 - \$155,396), and 9,239 shares (2022 - 9,136 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 \$111,581 (2022 - \$110,268), 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, 2023 was \$172,305 (2022 - \$176,861).

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 \$11,835,653 (2022 - \$11,540,844). The Board recognized \$11,966,386 (2022 - \$11,533,961) in revenue from the Province of Newfoundland and Labrador. These transactions are in the normal course of business measured at the exchange amount.

# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

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### **14. Budget**

The Board's budget is prepared on a cash basis and approved by the Board of Directors. The 2023 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 \$12,114 (2022 - \$14,591). 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.

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**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, 2023. 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**

	<b>2023 <u>Budget</u></b>	<b>2023 <u>Actual</u></b>	<b>2022 <u>Actual</u></b>
	<b>Unaudited (Note 14)</b>		
Amortization	\$ -	\$ 314,454	\$ 287,831
Books and Periodicals	927,500	974,924	953,166
Computerization of Libraries	420,586	338,219	343,336
Conference and Workshops	30,000	15,906	35,308
Freight and Postage	58,250	46,773	39,554
Library Operations (Grants)	1,038,658	947,338	826,356
Insurance	93,314	94,611	90,119
Miscellaneous	-	47	3,762
Office and Library Supplies	102,211	113,330	95,455
Pandemic – COVID-19	25,000	10,257	69,516
Professional Fees	71,000	78,662	26,992
Rental of Premises	365,590	365,590	365,590
Repairs and Maintenance	22,000	44,919	6,037
Salaries and Benefits	8,618,827	8,847,219	8,635,444
Telephone	46,600	45,618	47,441
Travel	92,200	81,097	39,925
	<b>\$ 11,911,736</b>	<b>\$ 12,318,964</b>	<b>\$ 11,865,832</b>

**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
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**18. Comparative Figures Restatement and Reclassification**

Previous to the year ended 31 March 2023, the Board did not record an asset retirement obligation related to future asset retirement costs. PSAB standards require that a liability and a capital asset be recognized in the financial statements. In order to comply with CPSAS, a retroactive adjustment was made to recognize tangible capital assets, accumulated amortization and a liability related to asset retirement costs. This resulted in the restatement of certain amounts in the prior period as follows:

**Comparative Restatement 2021-2022**

	<u>2022</u>	<u>2022 Restated</u>	<u>Change</u>
<b>Statement of Financial Position:</b>			
Asset retirement obligations	\$ -	\$ 193,250	\$ 193,250
Tangible capital assets	1,352,503	1,363,686	11,183
Net financial assets	1,113,237	919,987	(193,250)
Accumulated operating surplus	2,548,391	2,366,324	(182,067)
<b>Statement of Operations:</b>			
Accumulated operating surplus beginning of the year	2,748,428	2,566,361	(182,067)
Accumulated operating surplus end of year	2,548,391	2,366,324	(182,067)
<b>Statement of Change in Net Financial Assets:</b>			
Net financial assets, beginning of year	1,407,376	1,214,126	(193,250)
Net financial assets, end of year	1,113,237	919,987	(193,250)
<b>Note 10 - Asset retirement obligations</b>			
Asset retirement obligations	-	193,250	193,250
<b>Note 11 - Tangible capital assets</b>			
Original cost	8,092,328	8,285,578	193,250
Accumulated amortization	6,739,825	6,921,892	182,067
Net book value	1,352,503	1,363,686	11,183

Certain other comparative figures for 2022 have been reclassified to conform to the presentation adopted in 2023.

**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
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**19. 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.