



Newfoundland & Labrador  
**Public Libraries**

**Annual Report**

**2021-22**

Submitted by

**The Provincial Information  
and  
Library Resources Board**

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Newfoundland & Labrador  
**Public Libraries**

PROVINCIAL ADMINISTRATION DIVISION  
48 St. George's Avenue, Stephenville, NL A2N 1K9

Honourable John Haggie  
Minister of Education  
Department of Education  
P. O. Box 8700  
St. John's, NL  
A1B 4J6

Dear Minister Haggie:

I am pleased to submit, on behalf of the Provincial Information and Library Resources Board, the annual report for the year 2021-22.

This report was prepared in accordance with the requirements of a category one entity under the **Public Libraries Act** and the **Transparency and Accountability Act**. The outcomes reported in this document detail the Newfoundland and Labrador Public Libraries' performance in addressing the strategic issues outlined in the 2020-23 Strategic Plan.

On behalf of the entire Board, I offer our sincere thanks to all our local and divisional board members, staff, partners and patrons who have contributed to or used our services during this past year. I also want to acknowledge the support we have received from the Department of Education and Government. Your continued use of and support for our services are sincerely appreciated.

As the Provincial Information and Library Resources Board, we are accountable for the results reported herein. My signature below is indicative of the Board's accountability for the actual results.

Sincerely,

A handwritten signature in blue ink that reads "Myrtice Alpen".

Myrtice Alpen, Chair

## **BOARD STRUCTURES**

### **Provincial Information and Library Resources Board**

The Provincial Information and Library Resources Board (PILRB - the Board) is a category one Government entity established, under the authority of the **Public Libraries Act**, to oversee the operation of the public library services in the province, now commonly referred to as the Newfoundland and Labrador Public Libraries (NLPL - the organization). The organization has existed, in some form, since 1935.

The PILRB is a provincial board composed of representatives of regional library boards and appointees of the Lieutenant-Governor in Council. The provincial Board has not less than 10 and not more than 15 members which include: (a) a representative from each regional library board appointed by that board; (b) the chairperson of the St. John's Library Board appointed by that board; and (c) up to six other members appointed by the Lieutenant-Governor in Council. A list of board members as of March 31, 2022, is found in Appendix 1.

### **Regional and Local Library Boards**

There are 94 public library locations throughout the province. Each local library is operated by a local library board consisting of five to nine members, with the exception of the three libraries in St. John's, which operate under the St. John's Library Board. A representative of each local library board is appointed to a regional library board, which assists the PILRB to ensure services and programs are consistent throughout the different regions of the province and aids in the development and implementation of policies. The structure of the boards are outlined in Appendix 2.

## **ENTITY OVERVIEW**

Information on the PILRB's Mandate, Lines of Business, Primary Clients and Vision can be found at the PILRB's website at <https://www.nlpl.ca/mandate>.

### **Library Funding**

The public library system is funded, primarily, by the Provincial Government in the form of an annual operating grant. In 2021-22, the grant that was recognized in the financial statements was \$11,429,056.

Many municipalities regularly contribute to the operation of public libraries either by providing direct funding or in-kind contributions. The funding provided from municipalities in 2021-22 was low; however, the in-kind contributions were significant. These in-kind contributions, in the form of free or low-cost rent, snow clearing, maintenance, etc., which are not included in the budget figures, were estimated to exceed \$1,000,000.



The remainder of the funding was self-generated from fees for service and donations. The total operating and capital budget for 2021-22 was \$12,148,480.

The PILRB's fiscal position is audited annually by the Office of the Auditor General. The Auditor General's report and the audited financial statements for 2021-22 are attached in Appendix 3.

## Staff Complement

As of March 31, 2022, NLPL had a total staff complement of 187, comprised of 80 full-time and 107 part-time permanent employees (169 female and 18 male), and 173 substitute employees (162 female and 11 male). Substitutes are casual employees who are called to work when permanent staff members take leave. There were also approximately 700 volunteer library board members and many other individuals who volunteered to support their public library. The organizational chart is found in Appendix 4.

## Library Locations

There are 94 public libraries located throughout the province. These libraries are divided into four regions:

Western Newfoundland	29	(includes 5 in Labrador)
Central Newfoundland	33	
Eastern Newfoundland	29	
St. John's	3	

Of the 94 public libraries, 30 are located in schools, 36 are located in municipal buildings, four are located in Government buildings and 24 are located in PILRB owned or leased facilities.

## Highlights and Partnerships

During 2021-22, the PILRB continued to maintain excellent partnerships with a number of groups and agencies which contribute to the provision of quality library services and programs:

- Many municipalities supported public libraries with funding or in-kind contributions, including a partnership between the St. John's Public Library Board and the City of St. John's to establish a Mobile Outreach Unit for promotion of library services and programs.
- The Newfoundland and Labrador English School District continued to provide space for 30 school/public libraries as well as cleaning and maintenance services.
- The Department of Transportation and Infrastructure continued to be a valuable partner in helping to identify and correct issues with buildings or properties and with the tendering process.
- The Toronto Dominion Bank and Library and Archives Canada supported the TD Summer Reading Program, and the Canadian Council for the Arts supported the

Literary Readings Program. Both programs, offered in partnership with public libraries, helped enhance literacy.

- Staff in Corner Brook, Stephenville, and Happy Valley-Goose Bay attended an online Naloxone Training course offered by St. John Ambulance, in collaboration with Employment and Social Development Canada and Health Canada. This training was offered in response to the rising number of opioid poisonings across Canada. The program is geared toward frontline staff that may be required to respond to on-site opioid poisonings and who would otherwise lack access to the proper training.
- The NLPL partnered with Nature NL to facilitate the collection of birdwatching backpacks to Corner Brook, Pasadena, Stephenville, Labrador City, and Wabush. These backpacks contain binoculars, bird identification guides, and activity sheets for children.
- A.C. Hunter Public Library and Sun Life continued their partnership to operate the Sun Life Financial Musical Instrument Lending Library. This initiative provides access to 150 musical instruments. For additional information about the program, visit <https://nlpl.ca/programs/musiclibrary/about.html>
- Canada Post continued to support the Library Book Rate, a reduced postal rate for mailing of library materials from library to library and library to end-users. This rate helped provide library services to remote communities without library facilities and made it economical to share library materials between libraries.
- In partnership with CBC Newfoundland and Labrador, PILRB hosted another successful NL Reads. The 2022 nominated works were “Some People’s Children” by Bridget Canning, “All I Ask” by Eva Crocker, “We, Jane” by Aimee Wall, and the eventual winner, “The Stolen Ones” by Ida Linehan Young. The competition was held entirely online over four months. The four Reader Advocates (Sarah Bartlett, Ainsley Hawthorn, Martin Jones, and Amanada Bittner) submitted videos advocating for their book, which were featured on the NLPL YouTube channel. Additional content consisted of videos submitted by the authors and author interviews conducted by NLPL staff. Voting concluded on Monday, February 28, with the winner announced on the CBC NL St. John's Morning Show on Wednesday, March 2, 2022.
- The NLPL hired a Digital Preservation Clerk in partnership with the Office of Employment Equity for Persons with Disabilities (OEEPD) under its Career Development Placement program, to help digitize and make accessible historic images of Newfoundland and Labrador held at the Provincial Resource Library in St. John’s.
- In October 2021, NLPL partnered with the Canadian Association for Supported Employment (CASE) to distribute 1000 bookmarks recognizing Disability Employment Awareness Month (DEAM).
- In December 2021, the NLPL hired an Adult Literacy Services Librarian to oversee the expansion of adult literacy materials and services within NLPL. This initiative is funded in partnership with the provincial government’s Adult Literacy Action Plan.
- The Gander Flybrary continued to operate in 2021-22. It is a partnership with the Gander Airport Authority and the Gander Public Library. A collection of library materials is set up in the departures area of the airport, and books are free for passengers to take. A wide selection of books are offered to airport travelers.

- To support Corner Brook's new Indigenous Collection, the Corner Brook Public Library partnered with Qalipu artists Marcus Gosse, Jordan Bennett, and Jenny Brake. The artists provided artwork which is now on display in the main atrium of the library.
- The NLPL continued its partnership with SeniorsNL and the NL 50+ Federation. The partnership's goal is to develop an action plan that will promote, support and increase the involvement and engagement of seniors at their local public libraries. It offers the opportunity for the library system to promote services and provide a community place for seniors to meet and remain active in their communities.
- To help provide library materials to citizens of the province with print impairments, the NLPL continued to be a member of the Centre for Equitable Library Access.
- NLPL distributed 12,000 bookmarks on behalf of the Office of the Privacy Commissioner of Canada, educating Newfoundlanders and Labradorians on privacy protection while using WiFi. This was the second consecutive year for this program.
- In partnership with the TD Ready Commitment (Connected Communities), NLPL presented a province-wide celebration of the Black community living within Newfoundland & Labrador during Black History Month. Free events and programming were held online and in-person, including book clubs featuring titles available with unlimited eBook access for February. NLPL has contracted the Social Fabric Institute Inc to complete a Diversity Audit (Race & Ethnicity) on programs and collections available at the A.C. Hunter Library in St. John's, as a result of this partnership.
- There were many other organizations and agencies that assisted PILRB on a daily basis. That support, which was critical to the effective and efficient operation of public libraries, was truly appreciated by the boards and staff.

## Library Services

COVID-19 had a considerable negative impact on library usage statistics in 2020-21. On March 16, 2020, the PILRB suspended operations due to the COVID-19 Health Crisis. Public libraries were closed to the public for 14 weeks, and upon reopening, public access to libraries was restricted for the remainder of the 2020-21 fiscal year.

When library activities began to return to normal in 2021-22 it resulted in large increases in library usage statistics when compared to the activity of 2020-21. The large fluctuations in statistics over this two-year period can be solely attributed to the COVID-19 Health Crisis.

Each year PILRB records various statistics to help determine trends and evaluate the effectiveness of library programs and services. The following statistical summaries, from 2021-22, provide an overview of activities in the areas monitored:

- Of the 510,550 residents of the province (2020 Census, Statistics Canada), 470,041 people (92% per cent) had direct access (within a 30-minute drive) to a range of library and information services through 94 public library facilities. One hundred per cent of the population had access to library materials either through library facilities or outreach initiatives such as Books by Mail, electronic resources and

digital library services.

- 200,111 individuals were registered as library patrons representing 39 per cent of the population with direct access to a public library.
- 1,211,701 items of library material were circulated to patrons. This is an average of six items per patron and represents a 42 per cent increase in circulation over the previous year.
- 143,017 reference requests were processed. This represents the number of written and verbal inquiries processed by staff and represents an increase of 118% per cent over last year.
- 142,604 interlibrary loans were processed. This represents the number of items transferred from one library to another, within or outside Newfoundland and Labrador Public Libraries, and is a 95 per cent increase compared to the previous year.
- 2,899 library programs were offered, with a total of 28,080 people participating. There was a 363 per cent increase in the number of programs and a 720 per cent increase in the number of people participating compared to the previous year.
- 480,696 items (379,006 e-books and 101,690 audiobooks) were checked out from our digital library service. This represents a one per cent decrease compared to the previous year.
- 37,578 computer use sessions (30-minute blocks were recorded from 259 public computers). This represents a 278 per cent increase compared to the previous year.
- 557,253 wireless sessions were recorded, which represents the number of times patrons connected to the public library using their own computer or device. This represents a 13 per cent decrease over the previous year.

## **Library Facilities**

- The Town of Torbay will continue to rent space in a commercial building until December 31, 2022, in order to operate a public library in Torbay. This has been the seventh consecutive year that the town has rented this space.
- The Port aux Basques public library reopened to the public on March 7th, 2022, after a renovation project that included installing a new HVAC and ventilation system, replacing the interior floor, and placing new weeping tile around the foundation of the library. At a cost of \$210,000 this project was undertaken to remediate drainage issues, and water damage to the library.
- The Town of Conception Bay South began construction of an 8000 square foot building that will become the home of the Conception Bay South Public Library. The library is anticipated to be completed by late 2022. The new library will serve a population of 26,000.

## Library Materials

- 30,447 copies of new library materials were purchased for public library sites around the province. This represents an increase of 2,971 items from the previous year.
- 3,592 copies were purchased through local fundraising initiatives. This represents an increase of 1,774 items, or a 98 per cent, from the previous year.
- \$977,500 was allocated for library materials in the following categories:
  - \$478,160 for books;
  - \$60,000 for periodicals;
  - \$64,100 for electronic information services;
  - \$60,000 for DVDs;
  - \$16,000 for audio books;
  - \$183,600 for the digital library;
  - \$50,525 for licenses and fees;
  - \$2,500 for table top board games; and
  - \$62,615 for miscellaneous items: binding, fees, supplies, freight, etc.

## Technical Services (Cataloguing and Processing)

- 34,039 items were received in technical services. This represents the total materials that are received in the division and require some action.
- 34,614 copies of library materials, including new purchases, donations and existing materials, were catalogued. This is 758 items less than the previous year. Cataloguing is a process where information relating to library materials is entered into a database according to standardized rules and practices. Standardized organization of materials is crucial for user access, and facilitates the tracking and management of library collections. Most, but not all, materials received or processed are catalogued.
- 40,557 items were processed. Processing includes the stamping, repairing, covering and labelling of library materials in preparation for circulation. This represents an increase of 18,547 items, or eighty-four per cent, from the previous year.
- 4,563 online e-registrations of new library patrons, and 1,605 online account adjustments were processed in 2021-2022.

## Special Projects/Activities

- In response to the COVID-19 pandemic the Government of Newfoundland and Labrador implemented the requirement that members of the public provide proof of COVID-19 vaccination in order to enter certain establishments in Newfoundland and Labrador. As part of the process, members of the public who could not print the required Vaxx Pass at home, were directed to public libraries in the province. Free of charge, in a four-month period (October 2021 through February 2022), the NLPL printed over 16,000 Vaxx Passes throughout the organization.

- The NLPL continued its annual participation in the TD Summer Reading Club (TDSRC) with a fully online schedule of programming to facilitate the closures and change in programming due to COVID-19. Patrons were encouraged to follow along with a slate of YouTube storytimes and challenges, and staff participated by promoting the club to their patrons in the branch, where possible, and online through their Facebook pages.
- The NLPL partnered with Memorial University library branches and accepted returns from MUN students and returned them to Memorial University through the NLPL mail system.
- Newfoundland and Labrador historic picture shows from the NL Collection were designed, developed complete with voice-over commentary, and showcased on the NLPL's YouTube channel.
- In January and February 2022, First Light, a registered non-profit organization that serves the urban Indigenous and non-Indigenous community alike, provided 128 full and part-time NLPL staff members with training in Cultural Diversity and awareness.
- Early Literacy initiatives continued with a focus on enhancing programming and services for children birth to six years old and their caregivers through staff training/support, new programming and resources.
- Programming resource materials continued to be acquired and distributed to sites. These materials included toy kits, storytime resource books and story time kits. An internal online guide has been created so that staff may easily access story time information, resources, videos and appropriate links. A separate public guide, which shares early literacy information and library services for children birth to 6 years old, is also available to staff and patrons to reference.

# REPORT ON PERFORMANCE

## ISSUE: SUSTAINABILITY OF THE PUBLIC LIBRARY SYSTEM

Many changes have occurred over the past 15 years that impact public library services. Changes such as the impact of technology, declining rural populations, shifting demographics from rural to urban centers, the increasing costs to provide basic library services, and client expectations affect where libraries are located, how libraries function, what services are provided and options for service delivery. These issues are also affected by an increasingly challenging fiscal situation. Per capita, the NLPL system has more libraries than any other library system in Canada. In June 2016, the NLPL system underwent a third-party organizational and service review by EY. Utilizing this document as a base, in April 2018, NLPL developed a Future State Plan to help create a strong and vibrant public library system that can serve the residents of the province for the foreseeable future.

**Goal:** By March 31, 2023, the PILRB will have improved library services.

**Objective 1:** By March 31, 2022, the PILRB will have continued implementation of selected options in the Future State Plan for NLPL.

Indicators:

- Introduced a Province-Wide Library Materials Holds System
- Recruited a Human Resource Consultant
- Introduced new library services to make library materials more accessible to the public.
- Developed a new Indigenous library materials collection at select public libraries.
- Developed a new webpage for the NLPL

The Board was successful in its 2021-22 objective of continuing to implement select options of the PILRB's Future State Plan.

### **Introduced a Province-Wide Library Materials Holds System**

In May 2021, Provincial System-Wide Holds was successfully implemented. This system means patrons of any library can request material from any other library in the province without having to wait for their own local library material to be available. The material is delivered to the patron's local library and returned to any site in the province. Once received, instead of returning to the original local library site, it is forwarded to the next patron who had a hold on the material. This provides faster access to material and increases circulation. This permits the NLPL to make more of its material available to its users, and permits collection efficiencies as fewer copies of the same material is required to service library patrons. Over 140,000 holds were fulfilled since the launch of the system.

### **Recruited a Human Resource Consultant**

The PILRB has a staffing complement of 360 full-time, part-time and casual employees.



With this large number of staff, the recruitment, monitoring, and resolution of staff issues can be complex and challenging. Without a Human Resource Consultant staff issues were absorbed primarily by the Director of Regional Services along with other Directors and Division Managers. The recruitment of a dedicated Human Resource Consultant will permit the NLPL to restructure the position of Director of Regional Services to a Director of Library Operations. A Director of Library Operations would act as a provincial librarian, a deficiency recognized in the NLPL's Future State Plan. A Human Resource Consultant was successfully recruited in May 2021.

**Introduced new library services to make library materials more accessible to the public**

The NLPL has hired a Digital Preservation Clerk (DPC) in partnership with the Office of Employment Equity for Persons with Disabilities (OEEPD), under its Career Development Placement program. The DPC is working on digital preservation and organization of historic material held in the NL Collection at PRL. We have invested in advanced Microsoft Access training for the incumbent, and entered into an agreement with OEEPD to extend the placement until at least December 2022.

In December 2022, through the Adult Literacy Action Plan, the NLPL hired a Literacy Services Librarian to oversee the expansion of adult literacy materials and services within NLPL. In collaboration with ABC Life Literacy's Activate Learning program, we distributed Family Literacy materials in all public libraries across the province for Family Literacy Day. We have purchased new subscriptions to Brainfuse's HelpNow, JobNow, and Library Ideas' Rocket Languages. These resources are available through the Digital Library, providing new online learning opportunities for all patrons to grow their academic, work, and life skills.

Due to the COVID-19 pandemic, the NLPL's 2021-22 planned rollout of a Cultural Pass Program involving partnerships with provincial cultural institutions had to be postponed. This program would allow patrons to obtain access to various cultural and social sites and activities free of charge. The NLPL will resume the rollout of the program once the pandemic situation permits.

The Board continued to roll out the Every Child Ready to Read program to increase awareness of the role public libraries play in childhood literacy and development. Throughout the pandemic, the focus of early literacy has shifted to providing virtual programming and support. Library staff received training in offering virtual programming on various platforms, including Facebook, YouTube, and WebEx. Early literacy resources for caregivers, storytime programming and outreach, have all been offered online. Additional information guides for young families have also been added to ensure that patrons have access to information and resources even if they cannot enter their local library branch.

As the COVID-19 pandemic interrupted in-person programming, the NLPL provided virtual library programming through the WebEx video platform. To supplement this online programming the NLPL continued to create a variety of videos allowing the NLPL to provide online programming material to patrons. These videos provide information on library tutorials, storytime, readers' advisory, recommended reads, health and wellness, and NL history. This material can be found on the NLPL YouTube channel: [Newfoundland & Labrador Public Libraries - YouTube](#).



### **Developed a new Indigenous library materials collection at select public libraries.**

In 2021-2022, \$25,000 was allocated to establish indigenous collections in select locations in the NLPL. Four core collections were established in St. John's, Corner Brook, Grand Falls-Windsor and Happy Valley-Goose Bay. The NLPL also began enhancing Indigenous materials at other locations and within the NLPL's Digital Library. Engagement with local communities and indigenous populations were undertaken to determine what kind of resources would be suitable.

In September 2021, informed by consultation with Indigenous communities, we launched a Resources for Indigenous Patrons library guide. Our Technical Services staff began to examine and update language in the NLPL catalog to better reflect contemporary terminology and cultural awareness.

### **Developed a new Webpage for the NLPL**

In April of 2021, the NLPL established a Website Redevelopment Committee to review the NLPL's current webpage and develop plans for a website that would bring greater and easier functionality to NLPL patrons and staff. The committee purchased relevant software, webpage templates and plugins, and established the design and format of the new main NLPL webpage. Pertinent IT were trained in the software and by March 31, 2022 a new webpage design and format was completed. Work continues on completing the follow on webpages, with the entire website expected to be functioning by the end of 2023.

### **Discussion of Results**

In the seven major public library usage categories, five of the categories saw usage increases over the previous year, despite the considerable effect the COVID-19 public health crisis had on day-to-day operations.

The largest increase came in the provision and participation in library programs, which saw a 720 per cent increase over the previous year. This was expected, as library operations returned to relative normalcy during 2021-22 as public health restrictions were reduced. The Digital Library continues to be well used: maintaining the 50 per cent increase in usage that occurred in 2020-21 with only a minor reduction of one per cent usage in 2021-22.

### **2022-23 Objective**

By March 31, 2023, the PILRB will have continued implementation of selected options in the Future State Plan.

Indicators:

- Implemented selected options of the NLPL Network Cyber Security Review
- Recruited a Director of Library Operations
- Introduced a Cultural Pass Program
- Complete a Diversity Audit (Race and Ethnicity) of the A.C. Hunter Public Library Collection.
- Updated the Intergraded library System to the latest version "Enterprise"
- Launch a full suite of NLPL webpages

## **OPPORTUNITIES AND CHALLENGES**

During 2021-22, a number of opportunities and challenges important to the Board were identified. They include:

### **Utilization of Service Delivery Standards**

Six of the 18 recommendations in EY's report on the Organization and Service Review are centred on the establishment of service delivery standards. While the establishment of standards is helpful in determining service delivery gaps, in order to achieve the newly developed standards, additional funding of approximately \$9.8 million is required. If an increase in funding is not provided, the standards cannot be achieved. The organization will then be perceived as underperforming because it cannot reach its established standards. The report on the Organization and Service Review did not address the scenario of how practical service standards would be if no new funding was forthcoming.

Even though standards have been developed, the organization may have to accept that in the confines of the fiscal challenges that all levels of government currently face, it may be some time before the standards can be realized.

The PILRB has implemented all recommendations that required no additional funding. The remaining recommendations cannot be implemented without additional monetary resources.

### **Digital Library**

The importance of our digital resources continues to increase. The Board provides more digital online access and enhanced online registrations as a result of the pandemic. PILRB's digital library service continues to be well used by patrons as the restrictions introduced by the COVID-19 pandemic brought increased awareness and content. Circulation last year was stable at 480,696 items, maintaining the 50 per cent increase since the beginning of the pandemic in March 2020. The digital library was the most circulated collection in the NLPL system, accounting for 40 per cent of the 1.2 million items circulated in 2021-22. This steady performance illustrates the desire for patrons to access library material remotely. In 2021-22, 6,168 online requests for either new library cards or updates to existing patron records were received. This service allows downloading of electronic books and audiobooks, from within the library or home, to a variety of devices. This rising demand will put increased pressure on the NLPL's limited library materials collection budget and will require the NLPL to closely monitor and evaluate its purchases in relation to physical versus online library material.

## **Early Literacy**

Early literacy remains a priority, with continued annual spending to enhance library spaces and programming for our youngest patrons. The Every Child Ready to Read Program remains as the foundation for early literacy education and promotion. Outreach and partnerships with groups serving children and families will be expanded upon, and new resources to support early literacy made available to all patrons. Provision of the online services will continue in the future.

## **COVID-19 Pandemic**

On Monday March 14<sup>th</sup> 2022, the NLPL emerged from nearly two years of COVID-19 pandemic restrictions to return to a near normal state of operations. All public library activities resumed with the following exceptions: face masks for the public were recommended but were no longer required, all Plexi Glass and Lexan circulation desk barriers were to remain in place for the foreseeable future, and library fines (only) were still suspended pending an operational review. To enhance staff protection during the reopening period, the NLPL Board acquired a supply of Rapid COVID-19 Testing Kits, and N-95 and KN-95 face masks for staff use.

The effect of the COVID-19 pandemic on the future operations of the NLPL is difficult to predict. The impact of COVID-19 and the subsequent practice of physical distancing will continue to have a major impact and produce many uncertainties on the future of library services and libraries themselves. The biggest impacts will be the escalation of use and demand of the NLPL Digital Library and a shift from physical face-to-face programming to professionally-developed online programming through online streaming services. Physical distancing practices will make physical face-to-face library programming challenging and prevent it from occurring in our smaller sites.

While the NLPL is moving back to pre-COVID-19 operations, patrons expect that the alternate delivery mechanisms that were developed and implemented during the pandemic be maintained. An expansive Digital Library, Curbside Delivery of library materials, online programming, social distancing, and enhanced cleaning protocols are some of the services that patrons expect to be available in some form. The NLPL will find this challenging as additional resources or diversion of resources away from other areas of operation will be necessary to maintain these pandemic services. As we continue to move out of the pandemic and into a “new normal” patron behaviour is expected to continue to shift, but the long-term impact of these changes will still need to be determined.

**Appendix 1**  
Provincial Information and Library Resources Board  
Members

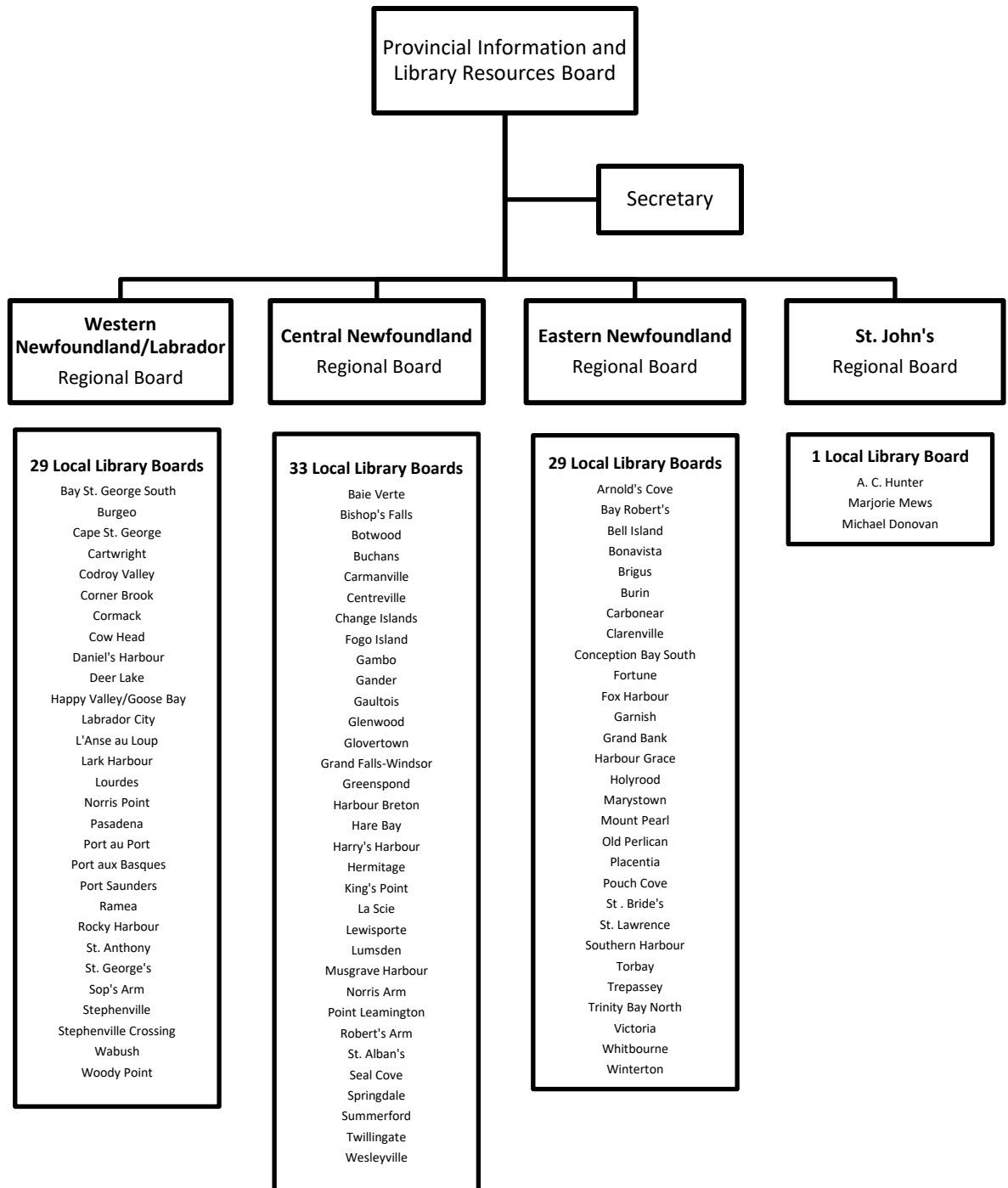
**Provincial Information and Library Resources Board**  
Board Membership as of March 31, 2022

<b>Name</b>	<b>Location</b>	<b>Appointment Type</b>
Alpen, Myrtice (Chair)	Lewisporte	Central Board Representative
Drodge, Wes	Clarenville	Eastern Board Representative
Tobin, Monique	St. John's	St. John's Board Representative
Pink, James (Vice Chair)	Burgeo	Western Board Representative
Butler, Joan	Conception Bay South	Lieutenant-Governor in Council
Lovelady, Lisa	Conception Bay South	Lieutenant-Governor in Council
McKellar, Sandra	Conception Bay South	Lieutenant-Governor in Council
Sheppard, Derrick	St. John's	Lieutenant-Governor in Council
Smith, Ron	Conception Bay South	Lieutenant-Governor in Council
Wicks, Hilary	St. John's	Lieutenant-Governor in Council

**Appendix 2**  
Newfoundland and Labrador  
Public Libraries  
Board Structures  
March 31, 2022

# Newfoundland and Labrador Public Libraries

## Board Structures



**Appendix 3**  
Provincial Information and  
Library Resources Board  
Audited Financial Statements  
2021-22





**PROVINCIAL INFORMATION AND  
LIBRARY RESOURCES BOARD**

**FINANCIAL STATEMENTS**

**MARCH 31, 2022**

## **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

We have audited the financial statements of the Provincial Information and Library Resources Board (the Board), which comprise the statement of financial position as at March 31, 2022, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2022, 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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

Provincial Information and Library Resources Board



## **Independent Auditor's Report (cont.)**

In connection with our audit of the financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are 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 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 liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 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 Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

We 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 we identify during our audit.



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



**SANDRA RUSSELL, CPA, CA**  
**Deputy Auditor General**

July 14, 2022  
St. John's, Newfoundland and Labrador

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

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash	\$ 2,784,213	\$ 3,044,394
Accounts receivable (Note 3)	68,930	38,788
Portfolio investments (Note 4)	117,124	106,570
	<b>2,970,267</b>	<b>3,189,752</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	773,672	662,296
Employee future benefits (Note 6)	598,305	650,984
Deferred revenue (Note 7)	485,053	465,698
Obligation under capital lease (Note 9)	-	3,398
	<b>1,857,030</b>	<b>1,782,376</b>
<b>Net financial assets</b>	<b>1,113,237</b>	<b>1,407,376</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories held for use	56,381	60,453
Prepaid expenses	119,902	120,831
Tangible capital assets (Note 10)	1,352,503	1,242,846
	<b>1,528,786</b>	<b>1,424,130</b>
<b>Accumulated surplus</b>	<b>\$ 2,642,023</b>	<b>\$ 2,831,506</b>
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 2,548,391	\$ 2,748,428
Accumulated remeasurement gains	93,632	83,078
	<b>\$ 2,642,023</b>	<b>\$ 2,831,506</b>
<b>Contractual obligations (Note 8)</b>		
<b>Trusts under administration (Note 11)</b>		

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

Signed on behalf of the Board: Malpen  
Chairperson

James T. Pink  
Member



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

	2022 Budget	2022 Actual	2021 Actual
	(Note 13)		
<b>REVENUE</b>			
Province of Newfoundland and Labrador			
Operating grant	\$ 11,305,067	\$ 11,309,056	\$10,942,500
Capital grant	120,000	120,000	120,000
Early Literacy Program	-	75,989	72,656
Adult Literacy Project	-	28,916	-
Eastern Health – Clarenville Project	-	-	563
Miscellaneous	59,000	44,494	35,140
Fines and lost library materials	23,000	2,768	808
Interest	23,000	22,332	23,656
Gain on disposal of tangible capital assets	-	473	800
Sun Life Musical Instrument Lending Program	-	7,960	1,729
St. John’s Outreach – Mobile Van	-	36,585	-
Dividend revenue	-	4,061	3,692
TD Black History Month	-	12,789	5,720
TD Summer Reading Program	-	372	599
	<b>11,530,067</b>	<b>11,665,795</b>	<b>11,207,863</b>
<b>EXPENSES (Note 16)</b>			
Administration	2,224,779	2,427,410	2,327,901
Amortization	-	287,831	323,061
Early Literacy Program	-	75,989	71,529
Adult Literacy Project	-	28,916	-
Eastern Health - Clarenville Project	-	-	563
Library Collection	1,625,449	1,725,654	1,721,073
Library Operations	7,555,306	6,959,734	6,432,277
Public Computer Access	379,366	336,153	349,031
Sun Life Musical Instrument Lending Program	-	7,407	1,729
St. John’s Outreach – Mobile Van	-	3,577	-
TD Black History Month	-	12,789	5,720
TD Summer Reading Program	-	372	599
	<b>11,784,900</b>	<b>11,865,832</b>	<b>11,233,483</b>
<b>Annual operating deficit</b>	<b>(254,833)</b>	<b>(200,037)</b>	<b>(25,620)</b>
<b>Accumulated operating surplus, beginning of year</b>	<b>2,748,428</b>	<b>2,748,428</b>	<b>2,774,048</b>
<b>Accumulated operating surplus, end of year</b>	<b>\$ 2,493,595</b>	<b>\$ 2,548,391</b>	<b>\$ 2,748,428</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**

**2022**

**2021**

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<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 83,078</b>	<b>\$ 52,471</b>
Unrealized gains attributable to:		
Portfolio investments	<b>10,554</b>	<b>30,607</b>
<b>Accumulated remeasurement gains, end of year</b>	<b>\$ 93,632</b>	<b>\$ 83,078</b>

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**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

	2022 Budget	2022 Actual	2021 Actual
(Note 13)			
Annual operating deficit	\$(254,833)	\$ (200,037)	\$ (25,620)
<b>Changes in other non-financial assets</b>			
Use of prepaid expenses	-	120,831	137,018
Acquisition of prepaid expenses	-	(119,902)	(120,831)
Net (acquisition) use of inventories held for use	-	4,072	(9,339)
	-	5,001	6,848
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	-	(397,488)	(178,497)
Amortization of tangible capital assets	-	287,831	323,061
	-	(109,657)	144,564
Effect of remeasurement gains for the year	-	10,554	30,607
<b>(Decrease) increase in net financial assets</b>	<b>(254,833)</b>	<b>(294,139)</b>	<b>156,399</b>
<b>Net financial assets, beginning of year</b>	<b>1,407,376</b>	<b>1,407,376</b>	<b>1,250,977</b>
<b>Net financial assets, end of year</b>	<b>\$ 1,152,543</b>	<b>\$ 1,113,237</b>	<b>\$ 1,407,376</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**

	2022	2021
<b>Operating transactions</b>		
Annual operating deficit	\$ (200,037)	\$ (25,620)
Adjustment for non-cash items		
Amortization	287,831	323,061
Gain on disposal of tangible capital assets	(473)	(800)
	<b>87,321</b>	296,641
Change in non-cash operating items		
Accounts receivable	(30,142)	9,213
Due from Province	-	73,417
Accounts payable and accrued liabilities	111,376	(5,146)
Employee future benefits	(52,679)	(34,337)
Deferred revenue	19,355	(84,878)
Inventories held for use	4,072	(9,339)
Prepaid expenses	929	16,187
<b>Cash provided from operating transactions</b>	<b>140,232</b>	261,758
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(397,488)	(178,497)
Proceeds from disposal of tangible capital assets	473	800
<b>Cash applied to capital transactions</b>	<b>(397,015)</b>	(177,697)
<b>Financing transactions</b>		
Repayments of obligations under capital lease	(3,398)	(4,078)
<b>Cash applied to financing transactions</b>	<b>(3,398)</b>	(4,078)
<b>(Decrease) increase in cash</b>	<b>(260,181)</b>	79,983
<b>Cash, beginning of year</b>	<b>3,044,394</b>	2,964,411
<b>Cash, end of year</b>	<b>\$ 2,784,213</b>	\$ 3,044,394

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**

**2022**

**2021**

**Eastern Division**

Arnold's Cove	\$ 6,426	\$ 4,854
Bay Roberts	74,479	73,644
Bell Island	925	556
Bonavista	4,834	3,438
Brigus	8,886	8,723
Burin	1,012	529
Carbonear	41,054	39,316
Catalina	4,900	4,584
Clareville	21,822	17,950
Conception Bay South	10,663	8,339
Fortune	677	452
Fox Harbour	5,403	4,964
Garnish	627	454
Grand Bank	9,591	15,299
Harbour Grace	11,676	8,149
Holyrood	6,380	4,929
Marystown	698	692
Mount Pearl	11,776	15,521
Old Perlican	74	2,869
Placentia	26,764	21,951
Pouch Cove	1,798	1,641
St. Brides	7,765	7,611
St. Lawrence	728	501
Torbay	27,956	26,310
Trepassey	9,203	6,884
Victoria	972	688
Whitbourne	2,843	2,581
Winterton	536	423
	<b>300,468</b>	<b>283,852</b>

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

	2022	2021
<b>Central Division</b>		
Baie Verte	7,469	5,217
Bishop's Falls	2,091	828
Botwood	11,565	8,577
Buchans	689	461
Carmanville	893	1,050
Centerville	1,275	476
Change Islands	581	1,034
Fogo	1,186	463
Gambo	9,852	9,261
Gander	50,156	37,763
Gaultois	3,324	2,228
Glenwood	1,406	1,027
Glovertown	1,803	572
Grand Falls-Windsor	6,551	2,356
Greenspond	4,548	4,561
Harbour Breton	653	786
Hare Bay	1,109	460
Harry's Harbour	4,915	3,868
Hermitage	606	884
King's Point	4,708	4,965
LaScie	934	10,454
Lewisporte	12,833	10,273
Lumsden	624	456
Musgrave Harbour	980	488
Norris Arm	2,103	1,510
Point Leamington	1,676	552
Robert's Arm	4,443	4,009
St. Albans	5,791	1,146
Seal Cove	1,320	714
Springdale	3,347	596
Summerford	1,188	658
Twillingate	1,346	481
Wesleyville	1,865	436
	<b>153,830</b>	<b>118,610</b>



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

	2022	2021
<b>Western Newfoundland - Labrador Division</b>		
Bay St. George South	1,535	1,226
Burgeo	1,094	689
Cape St. George	881	496
Cartwright	741	398
Codroy Valley	673	410
Cormack	2,126	1,396
Corner Brook	203,074	201,999
Cow Head	7,744	6,991
Daniel's Harbour	1,589	1,306
Deer Lake	16,546	13,259
Happy Valley	2,267	1,280
Labrador City	28,898	35,718
L'Anse au Loup	1,027	589
Lark Harbour	790	462
Lourdes	911	480
Norris Point	3,207	3,274
Pasadena	5,360	1,028
Port au Port	1,327	596
Port aux Basques	15,023	16,930
Port Saunders	5,843	3,940
Ramea	687	428
Rocky Harbour	480	550
St. Anthony	2,984	1,189
St. George's	1,418	972
Sops Arm	1,353	764
Stephenville	54,577	44,533
Stephenville Crossing	1,426	967
Wabush	2,504	1,802
Woody Point	5,973	4,228
	<b>372,058</b>	<b>347,900</b>
	<b>\$ 826,356</b>	<b>\$ 750,362</b>

**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, portfolio investments, accounts payable and accrued liabilities, and obligation under capital lease. 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 or amortized 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 and accounts receivable. Financial liabilities measured at cost include accounts payable and accrued liabilities. Financial liabilities measured at amortized cost include obligation under capital lease.

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate current fair value due to their nature and the short-term maturity associated with these instruments. The carrying value of obligation under capital lease is considered to approximate market value.

**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 or betterment 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.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Board's rate for incremental borrowing or the interest rate implicit in the lease. Note 9 provides a schedule of repayments and amount of interest on the leases.

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



**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 Services 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.



**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 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 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, 2022**

**3. Accounts receivable**

	<u>2022</u>	<u>2021</u>
Federal Government		
Harmonized Sales Tax	\$ 57,449	\$ 23,880
Other	11,481	14,908
	<u>\$ 68,930</u>	<u>\$ 38,788</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 Services of Canada 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Investments held directly				
Sun Life Financial Services				
of Canada - 1,678 shares	\$ 117,124	\$106,570	\$ 23,492	\$ 23,492

**5. Accounts payable and accrued liabilities**

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 179,983	\$ 87,772
Accrued salaries and benefits	593,689	574,524
	<u>\$ 773,672</u>	<u>\$ 662,296</u>

**6. Employee future benefits**

Employee future benefits consists of:

	<u>2022</u>	<u>2021</u>
Severance pay	\$ 43,909	\$ 88,379
Accumulating non-vesting sick leave benefit liability (a)	554,396	562,605
	<u>\$ 598,305</u>	<u>\$ 650,984</u>

**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

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

	<u>2022</u>	<u>2021</u>
Accrued accumulating non-vesting sick leave benefit obligation, end of year	\$ 438,446	\$ 442,637
Unamortized actuarial gain, end of year	<u>115,950</u>	<u>119,968</u>
Accumulating non-vesting sick leave benefit liability, end of year	<u>\$ 554,396</u>	<u>\$ 562,605</u>

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

	<u>2022</u>	<u>2021</u>
Current year benefit cost	\$ 50,772	\$ 42,960
Interest on accrued benefit obligation	13,647	14,185
Amortization of actuarial gains	<u>(19,335)</u>	<u>(19,451)</u>
Accumulating non vesting sick leave benefit expense	<u>45,084</u>	<u>37,694</u>
Benefit payments	<u>(53,293)</u>	<u>(66,771)</u>
Change in accumulating non-vesting sick leave benefit liability	<u>\$ (8,209)</u>	<u>\$ (29,077)</u>

**(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.



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

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

**(i) Severance pay (cont.)**

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, 2022 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, 2022, 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, 2022, is based on an actuarial extrapolation for accounting purposes to March 31, 2022 (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 3.57%. Other assumptions used in the extrapolation include estimates of expected termination rates, utilization rates and mortality rates.

**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% (2021 - 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, 2022, was \$422,632 (2021 - \$396,018).

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, 2022, was \$109,354 (2021 - \$106,076).

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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, 2022, 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	\$ 360,001	\$ 111,788	\$ 104,905	\$ <b>366,884</b>
Other source revenue	105,697	34,315	21,843	<b>118,169</b>
	<u>\$ 465,698</u>	<u>\$ 146,103</u>	<u>\$ 126,748</u>	<u>\$ <b>485,053</b></u>

Deferred revenue relates to grants received for specific programs such as literacy initiatives, musical instrument lending and library book purchases 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. 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:

2023	\$ 584,792
2024	553,827
2025	494,906
2026	450,635
2027	408,474
Thereafter	<u>873,040</u>
	<u>\$ 3,365,674</u>

**9. Obligation under capital lease**

The Board acquired office furniture under the terms of a lease agreement ending January 31, 2022. There is no interest under the terms of the agreement and the Board will assume ownership at the end of the 10 year term.

	<b><u>2022</u></b>	<b><u>2021</u></b>
Obligation under capital lease	<u>\$ -</u>	<u>\$ 3,398</u>



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**10. Tangible capital assets**

**Original cost**

	<b>Balance March 31, 2021</b>	<b>Capital assets no longer under lease</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance March 31, 2022</b>
Land	\$ 285,907	\$ -	\$ -	\$ -	\$ 285,907
Buildings	1,758,867	-	-	-	1,758,867
Building improvements	2,444,766	-	217,393	-	2,662,159
Furniture and equipment	1,929,230	40,777	39,634	54,898	1,954,743
Motor vehicles	218,396	-	98,294	44,754	271,936
Computer equipment	1,003,411	-	42,167	55,550	990,028
Software	168,688	-	-	-	168,688
Assets under capital lease	40,777	(40,777)	-	-	-
	<b>\$ 7,850,042</b>	<b>\$ -</b>	<b>\$397,488</b>	<b>\$155,202</b>	<b>\$8,092,328</b>

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

**Accumulated amortization**

	Balance March 31, 2021	Transfer of accumulated amortization of assets no longer under lease	Amortization	Disposals	Balance March 31, 2022	Net book value March 31, 2022	Net book value March 31, 2021
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,907	\$ 285,907
Buildings	1,510,106	-	30,619	-	1,540,725	218,142	248,761
Building improvements	2,029,928	-	100,101	-	2,130,029	532,130	414,838
Furniture and equipment	1,774,746	40,777	47,963	54,898	1,808,588	146,155	154,484
Motor vehicles	171,958	-	36,390	44,754	163,594	108,342	46,438
Computer equipment	910,993	-	72,758	55,550	928,201	61,827	92,418
Software	168,688	-	-	-	168,688	-	-
Assets under capital lease	40,777	(40,777)	-	-	-	-	-
	<b>\$6,607,196</b>	<b>\$ -</b>	<b>\$ 287,831</b>	<b>\$ 155,202</b>	<b>\$ 6,739,825</b>	<b>\$ 1,352,503</b>	<b>\$ 1,242,846</b>



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**11. 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>2022</u>	<u>2021</u>
Local libraries - deposits	\$ 265,664	\$ 249,586
Provincial Territorial Public Library Council	<u>82,703</u>	<u>85,203</u>
	<u>\$ 348,367</u>	<u>\$ 334,789</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, 2022 consists of cash of \$155,396 (2021 - \$143,905), and 9,136 shares (2021 – 8,899 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 \$110,268 (2021 - \$105,681), 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, 2022 was \$176,861 (2021 - \$164,981).

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.

**12. 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 \$11,540,844 (2021 - \$11,062,489). The Board recognized \$11,533,961 (2021 - \$11,135,156) in revenue from the Province of Newfoundland and Labrador. These transactions are in the normal course of business measured at the exchange amount.

**13. Budget**

The Board's budget is prepared on a cash basis and approved by the Board of Directors. The 2022 budget expenses exceeded the Board's budgeted revenues and the expected difference would be funded from cash surpluses carried forward from prior years.

**14. 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 \$14,591 (2021 - \$10,102). Tax receipts are issued to the donor based on established rates per policy or an appraised value.

**15. 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 and accounts receivable. 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 as it has policies and procedures for the monitoring and collection of its accounts receivable so as to mitigate potential credit losses. Any estimated impairment of these accounts receivable has 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, obligation under capital lease and contractual obligations. The future minimum payments required from the Board in relation to its contractual obligations and obligation under capital lease are outlined in Notes 8 and 9 respectively.



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**15. 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. The Board is not exposed to interest rate risk on its obligation under capital lease because it is non-interest bearing. 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, 2022. 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.

**16. Expenses by Object**

	<b>2022 Budget (Note 13)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
Amortization	\$ -	\$ 287,831	\$ 323,061
Books and Periodicals	927,500	953,166	958,988
Computerization of Libraries	412,756	343,336	351,456
Conference and Workshops	30,000	35,308	6,223
Freight and Postage	58,750	39,554	25,300
Library Operations (Grants)	787,188	826,356	750,362
Insurance	89,079	90,119	80,672
Miscellaneous	-	3,762	131
Office and Library Supplies	99,712	95,455	48,045
Pandemic – COVID-19	100,000	69,516	221,158
Professional Fees	35,000	26,992	18,152
Rental of Premises	369,669	365,590	365,590
Repairs and Maintenance	22,000	6,037	2,862
Salaries and Benefits	8,706,645	8,635,444	8,009,455
Telephone	49,350	47,441	51,807
Travel	97,251	39,925	20,221
	<b>\$ 11,784,900</b>	<b>\$ 11,865,832</b>	<b>\$ 11,233,483</b>

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**17. 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.

**18. Impact of the COVID-19 pandemic on results and operations**

The COVID-19 pandemic declared March 11, 2020 has resulted in an economic slowdown worldwide. There was a financial impact to the Board in the 2022 fiscal year but, due to the unpredictable duration of restrictions placed on operations, it is difficult to ascertain the future impact on the financial statements and operations.

**19. Accounting pronouncement**

The PSAB has issued *PS 3280 Asset Retirement Obligations* which is effective April 1, 2022. This is a new standard on how to account for and report legal obligations associated with the retirement of tangible capital assets. The standard has not been applied in these financial statements.

The Board plans to adopt this standard by the effective date and is currently analyzing the impact the standard will have on the financial statements.

**Appendix 4**  
Newfoundland and Labrador  
Public Libraries  
Staff Organizational Chart

**PROVINCIAL INFORMATION & LIBRARY RESOURCES BOARD**  
Staff Organizational Chart

