



# Annual Report

2014-15

Submitted by

**The Provincial Information  
and  
Library Resources Board**

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*PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD*  
 PROVINCIAL ADMINISTRATION DIVISION  
 48 St. George’s Avenue, Stephenville, NL A2N 1K9

Honourable Susan Sullivan  
 Minister of Education and Early Childhood Development  
 Department of Education and  
 Early Childhood Development  
 P. O. Box 8700  
 St. John’s, NL  
 A1B 4J6

June 19, 2015

Dear Minister Sullivan:

In accordance with the **Public Libraries Act** and the **Transparency and Accountability Act**, we are pleased to submit the Provincial Information and Library Resources Board’s annual report for the operation of the Newfoundland and Labrador Public Libraries during fiscal year 2014-15.

The mandate of the Provincial Information and Library Resources Board, as a category one government entity, is to provide public library and information services to the people of Newfoundland and Labrador. Public libraries have always been considered an important community service and while the use of libraries is changing, they still have a strong future. Instead of simply being repositories for print information, libraries now are used to access information for business and government programs, provide an early start for literacy development, provide resources for students, provide information for hobbyists, and as a space for programs or leisure reading. We want to build on the existing strengths of public libraries and expand library services so they can play a more important role in our communities.

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 Early Childhood Development and government. Your continued use of and support for our services are sincerely appreciated.

This report was prepared under my direction and documents the activities of the Provincial Information and Library Resources Board from April 1, 2014 to March 31, 2015. The report supports the strategic directions of government and my signature below is indicative of the board’s accountability for the actual results.

Sincerely,



Calvin Taylor, Chair

## **BOARD STRUCTURES**

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

The Provincial Information and Library Resources Board (PILRB - the board) is an independent organization established by the Government of Newfoundland and Labrador, under 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 and alternates 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. The current board members, as of March 2015, can be viewed in Appendix 1.

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

NLPL has 95 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 is outlined in Appendix 2.

## **ORGANIZATIONAL OVERVIEW**

### **Vision**

A public library system that provides universal access to a full range of library services supporting personal growth, life-long learning and recreation while helping to connect people and communities.

### **Mission**

By March 31, 2017, PILRB will have improved library services, facilities and equipment to enhance the library experience for the people of Newfoundland and Labrador.

## Mandate

The mandate of the PILRB is outlined in the *Public Libraries Act*. It states:

6. (1) The provincial board shall establish and operate those public libraries in the province that it considers necessary and shall provide support to ensure that library materials, information and programs are available to meet the needs of the public.
- (2) The provincial board shall provide:
  - (a) a resource collection of selected materials in its provincial reference and resource library which shall be available to the various libraries in the province;
  - (b) a centralized cataloguing and processing service through its technical services department;
  - (c) library service to communities that do not have a local library through its books-by-mail service;
  - (d) centralized administrative services through its provincial headquarters; and
  - (e) other centralized services considered necessary by the provincial board.

## Lines of Business

NLPL offer a variety of services throughout the province available to individuals of all ages. While there is a desire to have all services offered from all sites, certain services are available only at select sites due to hours of operation, size of the facility and staffing allocations. The majority of the services are provided free of charge but some are subject to minimal fees.

Library services are available to all individuals holding a valid library card and, in some cases, to individuals without a library card. Library cards are provided free of charge although replacement cards cost \$2.00. With a valid library card, library patrons can:

- access information in a library;
- borrow materials;
- attend library programs;
- use public computers and access the Internet;
- access electronic resources remotely; and
- participate in outreach services.

Library activities have been grouped into three distinct lines of business:

### 1. Information Access

- a) Patrons can access information in print and electronic formats.
- b) Patrons can make queries, and/or access library catalogues and databases housed in libraries.
- c) Patrons can access in-house information (also available to persons without a valid library card.)
- d) Patrons can use public library computers.
- e) Patrons can utilize free wireless internet services (can be obtained in or adjacent to the library in selected sites.)



- f) Patrons can acquire assisted technology, emergent technology and new technology (at designated sites.)
- g) Patrons can access major collections, i.e. the Newfoundland and Labrador collection, special interest collections, and the Literacy Clearing House collection.
- h) Online services are available from within the library and from a computer at home or elsewhere.

## *2. Information Lending*

- a) Public libraries lend print materials and, where available, materials in audio, visual and/or digital format.
- b) Patrons are free to use materials on site and, where available, can renew or reserve materials from home computers using their library card access number.
- c) Certain sites lend equipment such as digital cameras, laptop computers, etc.
- d) In selected areas of the province patrons can borrow books by mail or receive books via home reader services.
- e) Individuals can also obtain materials, through inter-library loans, from other libraries within or outside the provincial public library system.

## *3. Programs for Life-long Learning*

- a) Any person can participate in library programs designed to address the needs and interests of all age groups, such as preschool story times, class visits, book clubs, special presentations, computer training, etc. These programs are intended to help improve literacy, promote culture, increase skills and knowledge or for simple enjoyment. Occasionally, outreach programs are also provided.

## **Library Funding**

The public library system is funded, primarily, by the Provincial Government in the form of an annual operating grant. In 2014-15, the grant, excluding one-time funding transfers, was \$10,445,900. In 2014-15, we also received new funding for the following initiatives:

- \$200,000 to address fire and life safety issues in various library locations; and
- \$100,000 to address facility issues at the Port aux Basques Library as a result of flooding.

Many municipalities regularly contribute to the operation of public libraries either by providing direct funding or in-kind contributions. The funding provided in 2014-15 was low (\$22,800) considering the number of communities in the province, but 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 fines, fees for service and donations. The total operating and capital budget for 2014-15 was \$10,919,325.

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 2014-15 are attached in Appendix 3.

## Staff Complement

As of March 31, 2015, NLPL had a total staff complement of 195 full and part-time permanent employees (136 full time equivalents; 178 female and 17 male) and 141 substitute employees; (137 female and 4 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 can be viewed in Appendix 4.

## Library Locations

There are 95 public libraries located throughout the province. These libraries are divided into four regions:

Western Newfoundland and Labrador	30	(includes 6 in Labrador)
Central Newfoundland	33	
Eastern Newfoundland	29	
St. John's	3	

Of the 95 public libraries, 31 are located in schools, 34 are located in municipal buildings, 4 are located in government buildings and 26 are located in PILRB owned or leased facilities.

## Partnerships

During the past year 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.
- Local volunteer library boards helped keep libraries open and raised funds to help establish and support PILRB programs.
- The Newfoundland and Labrador English School District continued to provide space for 31 school/public libraries as well as cleaning and maintenance services.
- Sharing of resources and best practices continued with libraries at Memorial University and College of the North Atlantic.
- The Department of Education and Early Childhood Development provided approximately 90 per cent of PILRB funding as well as expertise when needed. It also continued its partnership with the PILRB for two early literacy initiatives: Kinderstart and Birth to Three Early Literacy Program, which both support government's early learning strategic direction, specifically the services and programming components. The Kinderstart initiative provides free books to preschool children upon visiting their public library and signing up for a library card. The Early Literacy Program includes two components: the first is the Early Literacy Foundations Program in which 12, two hour sessions are provided to children and caregivers by early literacy facilitators and the second is Every Child Ready to Read which involves five, one hour sessions provided by library staff.

- The Department of Transportation and Works continued to be a valuable partner in helping to identify and correct issues with buildings or properties and when tendering for new or retendering for existing library space.
- The Toronto Dominion Bank and Library and Archives Canada supported the TD Summer Reading Program and the Canadian Council for the Arts supported Literary Readings Program. Both programs, offered in partnership with public libraries, helped enhance literacy.
- 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.
- CBC partnered with the PILRB in a variety of programs in support of reading and literacy such as Canada Reads.
- There were many other organizations and agencies that assisted the 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.

## **OPERATIONAL ACHIEVEMENTS**

In 2014-15 the PILRB continued to implement a full range of library programs and services through its 95 public library locations. The following is a summary of operational activities during the fiscal year:

### **Library Services**

Each year the PILRB records various statistics to help determine trends and evaluate the effectiveness of library programs and services. The following statistical summaries, from 2014-15, will provide an overview of our activities in the areas monitored:

- Of the 514,536 residents of the province (2011 Census, Stats Canada), 452,591 people (88 per cent) had direct access (within 15 kilometers) to a range of library and information services through 95 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 elibrary services.
- 126,280 individuals were registered as library patrons representing 28 per cent of the population served. (This may not be true reflection of the number of patrons because the patron records were not purged in 2014-15 and a decline is expected when this occurs.)
- 1,598,770 items (library materials) were circulated to all patrons (an average of 14 items per patron). This represents a four per cent increase over the previous year.
- 212,994 reference requests were processed. This represents the number of written and verbal inquiries processed by staff and is a 10 per cent decrease over the previous year.
- 101,530 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 one per cent increase compared to the previous year.
- 12,263 library programs were offered with a total of 112,078 people participating. There was a nine per cent increase in the number of programs and a four per cent

increase in the number of people participating compared to the previous year.

- 178,086 items (164,692 e-books and 13,394 audio books) were checked out from our e Library service. This represents a 24 per cent increase compared to the previous year.
- 278,161 computer use sessions were recorded (30 minute blocks) from 470 public computers. This represents a four per cent decrease compared to the previous year.
- 212,375 wireless sessions were recorded which represents the number of patrons who connect to the public library Internet services, wirelessly, using their own computer or device. This represents a 24 per cent increase over the previous year.

## **Library Facilities**

- Meetings continued with the Town of Conception Bay South regarding the planning and construction of a new public library for the town. Provincial government funding for construction of a new library was announced in 2014.
- Representatives from the Town of Torbay provided notice to the PILRB to vacate the library location in the basement of the municipal building because of the growing needs of the town. The town agreed to rent temporary space in a commercial building until December 31, 2015 to provide time to locate a suitable alternate permanent location for the library.
- The library in St. Lunaire-Griquet was permanently closed in January 2014. This closure was the result of the closure of Bay View Collegiate in 2013, and the lack of a suitable, cost neutral, alternate location for the library in the community.
- Work continued on the evaluation of the Port aux Basques Library to determine what improvements are needed to address the flood damage which occurred in 2013 and what changes are needed to the property to eliminate the flooding problem which caused the damage. Government contributed \$100,000 towards the cost of this project.
- Work continued on the identification and elimination of Fire and Life Safety Issues in all library sites throughout the province. This work was made possible through a \$200,000 grant from the provincial government. The following sites were improved under this one time grant: AC Hunter Library, Baie Verte, Bay Roberts, Bell Island, Bonavista, Brigus, Burin, Carbonear, Catalina, Conception Bay South, Cow Head, Deer Lake, Fortune, Fox Harbour, Gambo, Gander, Garnish, Grand Bank, Greenspond, Harbour Grace, Harry's Harbour, Holyrood, King's Point, La Scie, Labrador City, Lewisporte, Marystown, Mount Pearl, Norris Arm, Old Perlican, Placentia, Port aux Basques, Port Saunders, Pouch Cove, Seal Cove, Southern Harbour, St. Bride's, St. Lawrence, Torbay, Trepassey, Victoria, Whitbourne, and Winterton.
- Upgrades were made to the following sites during the year as part of regular capital improvements: Arnold's Cove, Clarendville, Woody Point, Stephenville, Fogo, and Twillingate.

## **Library Materials**

- 32,430 copies of new library materials were purchased for public libraries sites around the province. This represents a reduction of 3,759 items over the previous year or a nine per cent decrease.
- 12,429 copies were purchased through local fundraising initiatives. This represents an increase of 2,096 items or 20 per cent over the previous year.

- \$950,000 was allocated for library materials in the following categories:
  - \$432,875 for books
  - \$100,000 for periodicals
  - \$15,000 for standing orders
  - \$123,000 for electronic information services
  - \$120,000 for DVDs
  - \$10,000 for audio books
  - \$60,000 for e-books
  - \$26,125 License and Fees
  - \$63,000 for miscellaneous items: binding, fees, supplies, freight, etc.

### **Technical Services (cataloguing and processing)**

- 44,859 items were received in technical services. This represents the total materials which came through the division requiring some action.
- 48,231 copies of library materials, including new purchases, donations and existing materials, were catalogued. This represents an increase of 29 per cent over the previous year. Cataloguing is a process where information relating to library materials is entered into a database according to standardized rules and practices. This facilitates the tracking and retrieval of information on specific library materials. Not all materials received or processed is catalogued.
- 40,929 items were processed. Processing includes the stamping, repairing, covering and labeling of library materials. This represents a decrease of 10,474, or 20 per cent, from the previous year.
- Technical Service staff continued to participate in automation projects. One project, Lourdes, was completed in 2014-15. Since 2001 we have been able to automate 46 of our 95 public library sites.

### **Special Projects/Activities**

- A team of board members and management staff developed a new strategic plan for the organization. The two goals of the new plan relate to improving awareness of library services and developing a sustainability plan.
- During the year a new Job Evaluation System was implemented across government. New job classifications were developed based on an expanded Position Description Questionnaire.
- In 2014-15, 92 of 95 library sites across the province participated in the Summer Reading Program with a total of 2,497 children registered. This program is co-sponsored by the Toronto Dominion Bank and Library and Archives Canada and helps enhance the reading skills and literacy levels of children.
- The PILRB's new elibrary service continues to grow as a result of increased awareness and content. Circulation last year reached 178,086 items which was a 24 per cent increase over the previous year. The elibrary is now circulating almost as many items as the Mt. Pearl, Gander and Corner Brook Libraries, combined. This service, which allows downloading of electronic books and audio books directly to a device such as a Kobo, Sony e-reader or Apple iPod or iPad, either in the library or at home, is helping expand library services to people who do not have access to a library or have difficulty getting to

one.

- In 2014-15, NLPL partnered with the Canadian Revenue Agency in its Community Volunteer Income Tax Program. The initiative saw the establishment of drop off, or in library personal service, with CRA Volunteers, in various library sites around the province.

## **REPORT ON PERFORMANCE 2014-15**

### **ISSUE 1: Enhanced Promotion of the Value of the Public Library System**

It is still apparent that a significant number of Newfoundlanders and Labradorians are not familiar with the public library system in the province. While many are aware that public libraries exist, the majority are not aware of the extent of the programs and services libraries offer. They do know that libraries provide books but many do not realize that one can borrow movies and recorded TV shows, learn how to use a computer or personal device, how to complete a will, tie a salmon fly, decorate a room, build a deck, or even camp outdoors in the winter. The majority of residents are unlikely to be aware that public libraries are involved in genealogy, have the most complete newspaper collection in the province and have just launched two new early literacy initiatives. They are also probably not aware that libraries can play a critical role in the development of children's literacy, can help motivate and provide a safe haven for teens and can provide a valuable resource for seniors. NLPL patron numbers are decreasing, mostly through the loss of older patrons who are not being replaced by younger ones but also because we are not attracting new patrons to the library from all age groups. The board is confident that it could attract new patrons if the public was aware of the value of the public library system. As a result the PILRB has established a three year goal to enhance promotion of the value of the public library system. This goal supports the strategic directions of government relating to Primary, Elementary and Secondary Education (specifically, the library services component).

**Goal: By March 31, 2017, the Provincial Information and Library Resources Board will have enhanced promotion of the value of the public library system.**

**Measure:** Enhanced promotion of the value of the public library system

**Indicators:** Increased activities to enhance community awareness  
Increased communication efforts  
Increased interaction with government  
Targeted partnership opportunities

**Objective 1:** By March 31, 2015, the provincial board will have developed a strategy to enhance promotion of the public library system.

Measure<sup>1</sup>: Developed a strategy to enhance promotion of the public library system

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<sup>1</sup> This measure was omitted from the PILRB's 2014-17 Strategic Plan in error.

- Indicators:   Established rationale for strategy
- Identified prospective communities/partners/opportunities
- Identified options to enhance promotion
- Established implementation parameters

Established Rationale for Strategy

In 2014-15 the provincial board and senior management reviewed NLPL circulation statistics for the current and the preceding six years. Circulation represents the total items borrowed by all patrons of the public library system and is often the main indicator of the strength of the system. The stats showed that there was a rise in circulation from 2007 to a peak in 2010-11 and then a decrease to a level close to the 2007-08 base year. When reviewing the changes within that time period the one obvious activity, which may indicate why the change in circulation, was the 75<sup>th</sup> anniversary of the public library system which was celebrated in 2010. As part of the 75<sup>th</sup> Anniversary celebrations, starting in 2007 the PILRB launched a three-year ad campaign which culminated during our 75<sup>th</sup> anniversary in the fall of 2010 and continued to a lesser amount in 2011 and 2012. It became obvious to the board that the promotional campaign had helped to augment activity levels.

<u>Year</u>	<u>Circulation</u>
2007-08	1,510,202
2008-09	1,575,808
2009-10	1,596,279
2010-11	1,655,604
2011-12	1,595,918
2012-13	1,556,892
2013-14	1,537,985

While the advertising campaign was extremely successful at promoting the existence of the library system, information on the value of the public library system or details on what the library system has to offer was absent. As a result, the board determined that an additional ad campaign, aimed at showing the value of the library system, was needed.

Identified Prospective Communities/Partners/Opportunities

The board identified a number of prospective partners and opportunities to enhance promotion of the value of the public library system. Throughout the province, NLPL has 32 public libraries operated from municipal buildings. We have a strong relationship with most of our partners and are convinced that they will provide whatever assistance they can to help promote their public library so that it remains a viable part of their community. Some mail out tax bills and have indicated that they would gladly include any library promotional material in that mail out. Some pay to have mail outs done, but they indicated that perhaps the board could share the cost of the mail out. The majority would likely be agreeable to posting library promotional material in their municipal buildings or handing it out to residents who visit.



Throughout the year we enter into agreements with a variety of agencies and departments for library programs and activities. It was determined that we should contact each of the partners and ask if they would provide assistance in the promotion of library services and programs. That assistance could range from shared public service announcements to acknowledgement on printed information or participation in annual events.

Each year, high school students are required to complete volunteer hours as part of their high school education. With approval from the union, public libraries could provide valuable work experiences for those individuals and more importantly the students could be used to promote the libraries through telephone surveys, mail outs or home delivery of printed information.

Similarly, throughout the year many libraries apply for and are successful in hiring summer Student Work and Service Program (SWASP) students or Youth Interns through Industry Canada. These students can also help promote the value of public libraries and the role they play in the communities they serve.

Finally, we report to the Department of Education and Early Childhood Development and work with them on a number of different initiatives. While periodic meetings take place, it was decided that more frequent meetings could help resolve operational difficulties and identify partnership opportunities.

#### Identified Options to Enhance Promotion

During the 75<sup>th</sup> anniversary celebrations, NLPL undertook a number of traditional promotional activities. This included displaying posters in libraries and limited community locations, advertising on the radio, TV and newspapers and taking out ads in select provincial magazine and tourism brochures. Based on library patron numbers and circulation rates before, during and after the promotional campaign, it is evident these initiatives were successful so the board decided to reprint the existing posters and create a limited number of new ones with a focus on promoting our specific services and the value of the public library system.

It was also decided to select a small number of other venues which had not been used previously to help promote our programs and services. These could include new magazines, daily news sheets, or posting information in key locations like doctor's offices, ferry terminals, office buildings, etc.

New opportunities also exist to raise awareness of the value of public libraries. The establishment of library information and sign up tables at malls, fairs, civic events, etc., present an excellent opportunity to raise awareness, answer questions and obtain new members by pushing the service out to potential clients.

While there are sporadic promotional activities, it is generally believed that a significant number of community residents are not aware of the extent of library services and programs. Distribution of print information outlining library programs and services to all residents of NL could be achieved at a minimal price if we are able to utilize student placements, community

organization and library staff and board members.

A website is also critical to ensure the effective promotion of an organization and the services it offers. The NLPL website will be updated and expanded to include a separate children's page to showcase our services for children and families. We will also ensure that all library programs and events are showcased on the revised site.

When NLPL offers a library program, the information is posted on the website but only those who regularly monitor the site see it. An effort will be made to cross-post information on the websites of other organizations and Government. We will also work to ensure that library websites are linked on all municipal websites in the province.

Since social media has taken the world by storm, efforts will be made to improve our Facebook pages and to establish Twitter accounts to ensure library patrons and the public are informed of happenings in the library community.

Library staff will be encouraged to contact the local media anytime there is a newsworthy event in their library. They will also be encouraged to offer the public library as a possible site for community events, like meet your local political candidates, or to hold an open house to showcase services.

Throughout the year, NLPL participates in a number of initiatives such as the Toronto Dominion Summer Reading Program and the Canadian Revenue Agency, Volunteer Income Tax Program. When possible, we will showcase these initiatives, run ads announcing the services and where practical, have prize draws which is often news worthy from a local perspective.

#### Established Implementation Parameters

With the promotional strategy developed, the board has established a two year implementation period (2015-16 and 2016-17) for all initiatives. These parameters will help establish the indicators for each of the next two years:

1. Update our promotional information and distribute it to sites with detailed procedures;
2. Outline our plan to our municipal and community partners;
3. Contact schools regarding student placements and develop student activity plans;
4. Develop action items for local library boards, divisional offices and HQ;
5. Expand our social media presence;
6. Expand our outreach opportunities;
7. Seek new options for promotional activities; and
8. Revise our website.

#### Discussion of Results

During the first year of this planning cycle a considerable amount of time was spent reviewing past activities and looking at successes and failures. While a significant amount of effort went into past promotional activities, they were mostly focused on our 75<sup>th</sup> anniversary event and

raising awareness of public libraries in general. While all promotional activities are good, our efforts now will focus more on raising awareness of the programs and services we offer to help show the value of the public library system, and the benefits it provides to the community. This year we successfully developed a promotional strategy and therefore achieved our year one objective. During the next two years, we will implement that strategy and work towards achieving our three year goal.

### **Year 2 Objective**

**By March 31, 2016, the provincial board will have commenced implementation of the promotional strategy.**

**Measure:** Commenced implementation of promotional strategy

**Indicators:** Updated and distributed promotional information to all library sites  
Outlined promotional plan to municipal and community partners  
Advised schools of enhanced student volunteer opportunities in public libraries and developed student volunteer activity plans  
Developed action items for local library boards, divisional offices and HQ

### **ISSUE 2: Sustainability Plan for the Public Library System**

Public libraries have seen many changes in the past decade, such as changing technologies, demographics and client expectations. A sustainability plan is important to help maintain a strong and vibrant public library system. Given the fiscal position of the province, it is accepted that there is limited opportunity to have the previous funding reductions from prior fiscal years reinstated. Therefore, the PILRB must make the best use of its limited resources and maximize services to ensure it remains a viable organization.

**Goal: By March 31, 2017, the provincial board will have maximized its services within current fiscal resources.**

**Measure:** Maximized services within the current fiscal resources

**Indicators:** Identified and implemented operational efficiencies where possible  
Engaged staff throughout sustainability process  
Pursued alternate funding opportunities  
Enhanced staff development and recruitment

**Objective 1:** By March 31, 2015, the provincial board will have conducted preliminary work to develop a sustainability plan.

Measure<sup>2</sup>: Conducted preliminary work to develop a sustainability plan

Indicators: Reviewed core services requirements  
Identified operational challenges  
Conducted staff and local board engagement activities

### Reviewed Core Services Requirements

During 2014-15, the board and senior staff thoroughly discussed each of NLPL's current core services and whether any existing services should be removed or new ones added. Generally, the programs and services offered by NLPL are either listed as part of our mandate under the *Public Libraries Act* or are consistent with the core programs and services offered by all other library systems across Canada and around the world. While there are some additional services that would be worthwhile additions to the public library system, it was felt that these are better suited to more elaborate systems with the space and resources to appropriately implement and support them.

There were, however, three changes recommended: removal of the equipment loans program, removal of color printing services for the public and the expansion of rental opportunities.

**Equipment Loans** – Over the years, NLPL has added the lending of equipment as part of an expanded list of services provided in select sites but it could also be accessed in remote locations through our interlibrary loans. The equipment included: digital cameras, laptop computers, laptop training labs, personal devices, etc. and it was intended to provide opportunities for individuals, who may not have resources or the opportunity to access these devices, to learn how to use them or to simply have access to them. Consideration was also given to expanding this program to include the lending of GPS units for travel or recreation, which is now common in many library systems. Most of these items were purchased through a now defunct federal program, and as such, it was determined that we can no longer support this initiative.

**Color Printing** – Also, with the elimination of the previously-mentioned federal program, the board can no longer support color printing. The board is, however, committed to maintaining a scaled down version of public computer access, through a reallocation of existing funds, which includes public computers, scanning and black and white printing. The revenue generation, which was expected to support the cost of color printing services, has not been sufficient to maintain the printers and pay the cost of color print cartridges.

**Rental Opportunities** – NLPL has historically provided rental space, where it existed in libraries, for low cost to community groups. If the community group was unable to pay, the space was provided for free as a community service. It has been decided that all

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<sup>2</sup> This measure was omitted from the PILRB's 2014-17 Strategic Plan in error.

libraries will now charge a standard rate for the use of any library space. The funding generated will be used to help support local library programming and material purchases.

### Identified Operational Challenges

The board has identified a number of operational challenges which affect the quality of library services in the province. These include:

Public Relations and Promotion – Limited public relations and promotional activities are contributing to decreases in activity levels and patron registrations. Enhanced public relations and promotion can increase public awareness of library services and initiatives, which can result in improved activity levels and patron numbers.

Staff Training/Program Development – Information shows that the activity levels in sites are negatively impacted by limited training opportunities for staff, minimal new program initiatives and the lack of minimum service levels. Improved staff training, new program initiatives and the establishment of minimum service levels will help enhance service quality and delivery.

Allocation of Library Hours Based on Need – Due to demographic changes, the library hours may no longer be representative of the needs in some locations. An objective process is required to readjust library hours, to match the needs of the community.

Library Materials – Recent reductions to the library materials budget has resulted in an approximate 25 percent decrease in the number of new items going into library sites. A review of the library materials selection process is required to ensure the current budget is maximized, patrons are able to obtain what they need and there is an equitable funding allocation formula for library sites across the province.

Divisional Support Services – With minimal divisional support staff there is limited opportunity to provide training and guidance to local library staff regarding program opportunities, library operations and efficiency, collection development, public relations, promotion and outreach. Options should be explored to address the training and mentoring issues.

Library Facilities and Equipment – The quality of library facilities and equipment enhances the library experience. A process is required to provide for regular upgrades.

Substitute Coverage – The current policy of fifty percent substitute coverage means that most libraries are open for half of their normal hours when regular library staff members are on leave. Options should be explored to increase substitute coverage or to minimize service impact.

Library Size – Many library sites are small with very limited program space. Library

programs are a growth area in library systems around the world and options to increase usable space should be explored so all sites are able to offer similar programs.

Public Computer Access – There is limited funding to support public computers and related infrastructure, along with a reduced number of IT staff. This program should be evaluated to determine what can be sustained within current resources.

### Conducted Staff and Local Board Engagement Activities

In addition to regular discussions with the provincial board and senior staff, during the year a survey was delivered to all public library staff and local library board members. The purpose of the survey was to obtain:

- Their prioritization of the importance of various NLPL programs, services and supports as a contributor to effective service delivery.
- Their recommendations for improvements to library services without additional funding.
- Their recommendations for improvements to library services if there was additional funding

A total of 244 responses were received of a possible 288 for a response rate of 85 percent. The information obtained will be used when evaluating the importance of various components of library operations during development of the sustainability plan.

### Discussion of Results

During 2014-15 efforts were focused on reviewing our core programs and services to determine if they were still in line with our mandate and of value to our clients. The board and senior staff agreed that the majority of programs and services offered are still in demand, are best suited to the public libraries and make valuable contributions to the residents of and visitors to the province. It was decided to remove two services because of reduced demand and the extra costs required to continue to provide them. During the year the board identified operational challenges which impact on programs and services and, during the next two years, options will be explored to address those challenges. Finally, local staff and local library boards were engaged through a questionnaire in an attempt to establish priorities for programs and services and the results of which will help focus efforts on a go forward basis. The board's objective for year one has been met and it is well positioned to continue work towards completion of its three year goal.

### Year 2 Objective

**By March 31, 2016, the provincial board will have completed development of a sustainability plan and begun implementation of options to maximize services.**

**Measures:** Completed development of sustainability plan  
Begun implementation of options

**Indicators:** Completed development of sustainability plan  
Identified alternate funding opportunities  
Developed an improved staff development and recruitment plan

## **OPPORTUNITIES AND CHALLENGES**

During 2014-15 a number of opportunities and challenges, which are important to the board, were identified. They include:

### **Public Library Usage**

The use of public libraries provincially is fairly constant but we are seeing decreases in activity levels in many small communities. While libraries continue to provide a valuable service to the people of the province, efforts must focus on creating new opportunities and expanding services to ensure the usage of various sites warrant the funds allocated to their operation.

### **Early Literacy**

The new early literacy program pilot, which has been implemented at select library and outreach sites over the past two years, has received very positive feedback. We have had challenges recruiting and retaining staff but are working on options to overcome these issues. Public libraries are well positioned to play a more important role in early literacy development and we will continue implementation of the early literacy pilot and will also explore other options to enhance the value of libraries across the province.

### **Increasing Cost of Library Equipment, Materials and Contract Services**

The costs of library equipment, materials and contract services continue to increase. Options will be explored to improve efficiencies where possible to make the best use of limited resources.

### **Succession Planning**

With the anticipated retirement of an increasing number of staff over the next five years, succession planning continues to be an important issue for the organization. The recruitment of staff is challenging given that many of our libraries are in remote locations and operate between 10 and 20 hours per week. Options are being explored to enhance our recruitment efforts and to retain those who we are able to recruit. In addition, we will evaluate options regarding the creation of a sustainable succession plan for the organization.



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

**Provincial Information and Library Resources Board**  
Board Membership as of March 31, 2015

**Divisional Board Representatives**

Name	Location
1. Taylor, Calvin (Chair) Eastern Board Representative	Conception Bay South
2. Pink, James Western Newfoundland and Labrador Board Representative	Burgeo
3. Goodridge, Alan (Vice-Chair) St. John's Board Representative	Goulds
4. Judy Tulk Central Board Representative	Traytown

**Regional Board Observers**

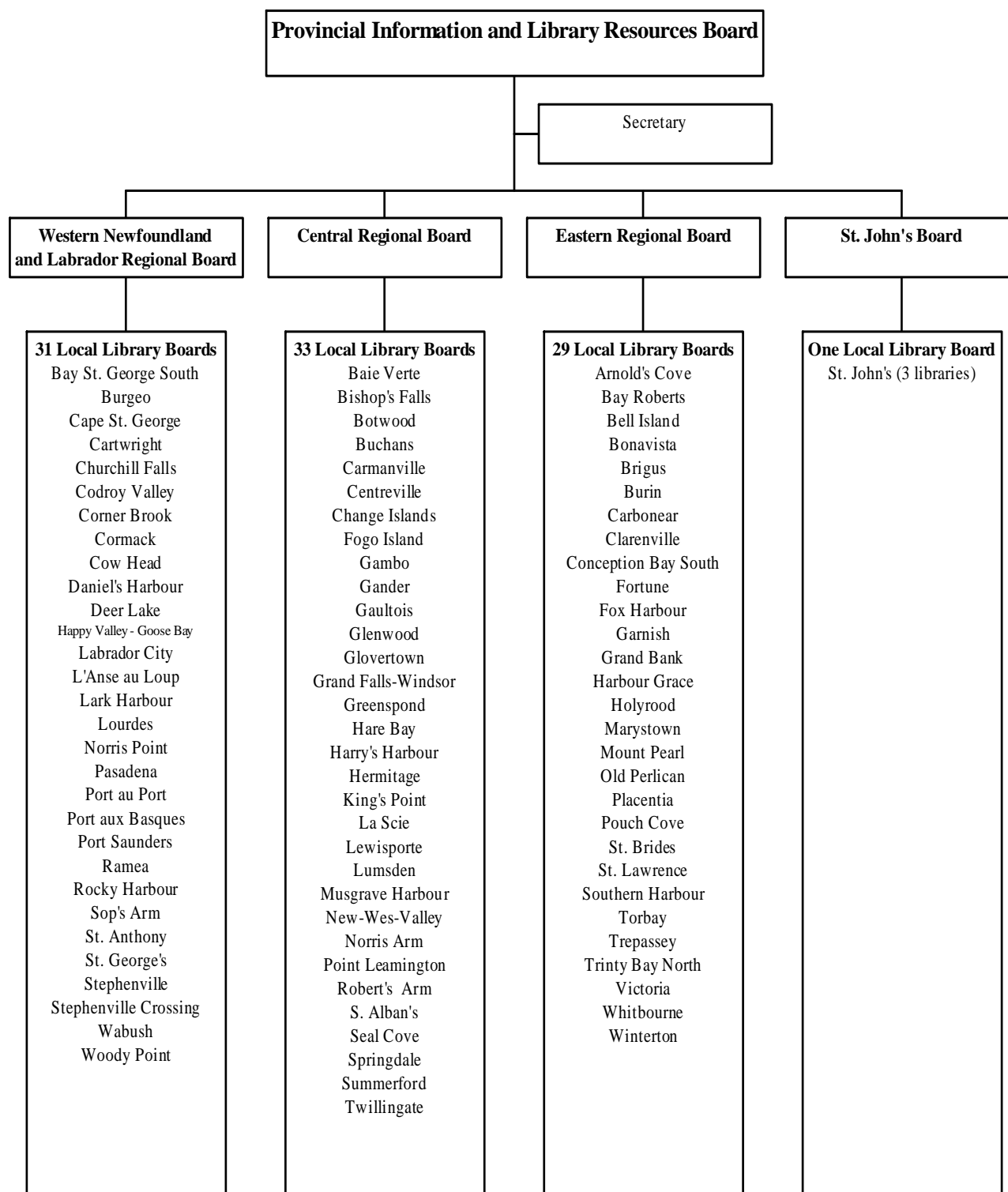
1. Noonan, Gillian Eastern Board Observer	Old Perlican
2. Alpen, Myrtice Central Board Observer	Lewisporte
3. Ford, Augusta St. John's Board Observer	St. John's
4. Simmons, Vicki Western Newfoundland and Labrador Board Observer	St. Andrews

**Appointees of the Lieutenant Governor in Council**

1. Bellows, Carla	Rocky Harbour
2. Walsh, Patrick	Mount Pearl
3. Hayward, Rick	St. John's
4. Hynes, Estelle	Kippens
5. ADM Education and Early Childhood Development – Joan Morris	St. John's

**Appendix 2**  
Newfoundland and Labrador  
Public Libraries  
Board Structures

**Newfoundland and Labrador Public Libraries  
Board Structure**



March 31, 2015

**Appendix 3**  
Provincial Information and  
Library Resources Board  
Audited Financial Statements  
2014-15

**PROVINCIAL INFORMATION AND  
LIBRARY RESOURCES BOARD**

**FINANCIAL STATEMENTS**

**MARCH 31, 2015**





**AUDITOR  
GENERAL**  
of Newfoundland and Labrador

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

I have audited the accompanying financial statements of the Provincial Information and Library Resources Board which comprise the statement of financial position as at March 31, 2015, the statements of operations, remeasurement gains and losses, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.




## Independent Auditor's Report (cont.)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Information and Library Resources Board as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read 'T. Paddon', with a long horizontal flourish extending to the right.

**TERRY PADDON, CPA, CA**  
**Auditor General**

July 8, 2015  
St. John's, Newfoundland and Labrador



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**

**STATEMENT OF FINANCIAL POSITION**

**March 31**

**2015**

**2014**

**FINANCIAL ASSETS**

Cash	\$ 3,237,290	\$ 3,123,863
Accounts receivable (Note 3)	61,420	65,670
Due from the Province	127,925	236,700
Portfolio investments (Note 4)	65,492	64,234
	<b>3,492,127</b>	<b>3,490,467</b>

**LIABILITIES**

Accounts payable and accrued liabilities (Note 5)	823,232	859,188
Employee future benefits (Note 6)	2,162,445	2,171,755
Deferred revenue (Note 7)	1,540,480	1,810,897
Obligation under capital lease (Note 9)	27,864	31,942
	<b>4,554,021</b>	<b>4,873,782</b>

**Net debt** (1,061,894) (1,383,315)

**NON-FINANCIAL ASSETS**

Inventories held for use	80,121	87,279
Prepaid expenses	171,235	158,769
Tangible capital assets (Note 10)	2,004,136	2,220,835
	<b>2,255,492</b>	<b>2,466,883</b>

**Accumulated surplus** \$ 1,193,598 \$ 1,083,568

Accumulated surplus is comprised of:

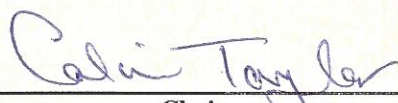
Accumulated operating surplus	\$ 1,151,598	\$ 1,042,826
Accumulated rereasurement gains	42,000	40,742
	<b>\$ 1,193,598</b>	<b>\$ 1,083,568</b>

**Contractual obligations (Note 8)**

**Trusts under administration (Note 11)**

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

Signed on behalf of the Board:

  
Chairperson

  
Member



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

	2015 Budget	2015 Actual	2014 Actual
	(Note 13)		
<b>REVENUE</b>			
Province of Newfoundland and Labrador			
Operating grant	\$ 9,997,900	\$ 10,025,825	\$ 10,372,229
Early Literacy Program	-	309,518	545,317
Capital grant	320,000	322,595	159,372
Kinderstart Literacy Program	-	60,005	2,585
Miscellaneous	64,000	68,592	71,825
Fines and lost library materials	55,500	55,585	58,408
Interest	32,000	43,903	45,465
Dividend revenue	-	2,416	2,416
	<b>10,469,400</b>	<b>10,888,439</b>	<b>11,257,617</b>
<b>EXPENSES (Note 15)</b>			
Administration	2,343,468	2,192,743	2,331,029
Library Operations	6,237,184	6,163,700	6,061,089
Library Collection	1,586,811	1,435,223	1,496,414
Early Literacy	-	302,371	452,644
Kinderstart	-	60,005	2,585
Public Computer Access	303,937	250,021	319,234
Amortization	-	375,604	459,010
	<b>10,471,400</b>	<b>10,779,667</b>	<b>11,122,005</b>
<b>Annual operating (deficit) surplus</b>	<b>(2,000)</b>	<b>108,772</b>	<b>135,612</b>
<b>Accumulated operating surplus, beginning of year</b>	<b>1,042,826</b>	<b>1,042,826</b>	<b>907,214</b>
<b>Accumulated operating surplus, end of year</b>	<b>\$ 1,040,826</b>	<b>\$ 1,151,598</b>	<b>\$ 1,042,826</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**

**2015**

**2014**

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<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 40,742</b>	<b>\$ 23,022</b>
Unrealized gains attributable to:		
Portfolio investments	<b>1,258</b>	<b>17,720</b>
<b>Accumulated remeasurement gains, end of year</b>	<b>\$ 42,000</b>	<b>\$ 40,742</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 DEBT**  
**For the Year Ended March 31**

	2015 Budget	2015 Actual	2014 Actual
(Note 13)			
Annual operating surplus (deficit)	\$ (2,000)	\$ 108,772	\$ 135,612
<b>Changes in other non-financial assets</b>			
Use of prepaid expenses	-	158,769	176,389
Acquisition of prepaid expenses	-	(171,235)	(158,769)
Net use of inventories held for use	-	7,158	(11,232)
	-	(5,308)	6,388
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	-	(158,905)	(252,677)
Loss on disposal of tangible capital assets	-	-	2,314
Amortization of tangible capital assets	-	375,604	459,010
	-	216,699	208,647
Accumulated remeasurement gains	-	1,258	17,720
<b>(Increase) decrease in net debt</b>	<b>(2,000)</b>	<b>321,421</b>	<b>368,367</b>
<b>Net debt, beginning of year</b>	<b>(1,383,315)</b>	<b>(1,383,315)</b>	<b>(1,751,682)</b>
<b>Net debt, end of year</b>	<b>\$ (1,385,315)</b>	<b>\$ (1,061,894)</b>	<b>\$ (1,383,315)</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

2015

2014

**Operating transactions**

Annual operating surplus	\$ 108,772	\$ 135,612
Adjustment for non-cash items		
Amortization	375,604	459,010
Loss on disposal of capital assets	-	2,314
	<b>484,376</b>	<b>596,936</b>
Change in non-cash operating items		
Accounts receivable	4,250	22,094
Due from the Province	108,775	(62,088)
Accounts payable and accrued liabilities	(35,956)	(69,943)
Employee future benefits	(9,310)	(50,743)
Deferred revenue	(270,417)	(350,874)
Inventories held for use	7,158	(11,232)
Prepaid expenses	(12,466)	17,620
<b>Cash provided from operating transactions</b>	<b>276,410</b>	<b>91,770</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(158,905)	(252,677)
<b>Cash applied to capital transactions</b>	<b>(158,905)</b>	<b>(252,677)</b>
<b>Financing transactions</b>		
Repayments of obligations under capital lease	(4,078)	(4,078)
<b>Cash applied to financing transactions</b>	<b>(4,078)</b>	<b>(4,078)</b>
<b>Increase (decrease) in cash</b>	<b>113,427</b>	<b>(164,985)</b>
<b>Cash, beginning of year</b>	<b>3,123,863</b>	<b>3,288,848</b>
<b>Cash, end of year</b>	<b>\$ 3,237,290</b>	<b>\$ 3,123,863</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**

**2015**

**2014**

**Eastern Division**

Arnold's Cove	\$ 6,985	\$ 7,127
Bay Roberts	74,290	74,176
Bell Island	1,179	1,072
Bonavista	4,167	3,947
Brigus	9,993	9,351
Burin	1,055	965
Carbonear	40,158	40,709
Catalina	4,756	1,215
Clareville	18,071	16,264
Conception Bay South	10,787	10,747
Fortune	403	386
Fox Harbour	6,800	5,229
Garnish	450	426
Grand Bank	13,038	10,469
Harbour Grace	13,371	9,901
Holyrood	6,101	5,868
Marystown	1,756	7,167
Mount Pearl	14,216	11,478
Old Perlican	2,975	3,651
Placentia	31,145	27,276
Pouch Cove	2,358	2,007
St. Brides	7,460	7,344
St. Lawrence	536	5,015
Southern Harbour	2,715	2,422
Torbay	3,936	1,192
Trepassey	11,666	8,093
Victoria	766	771
Whitbourne	5,680	4,106
Winterton	592	759
	<b>297,405</b>	<b>279,133</b>



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD****SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)**

For the Year Ended March 31

2015

2014

**Central Division**

Baie Verte	5,295	5,304
Bishop's Falls	1,415	886
Botwood	6,691	7,038
Buchans	608	584
Carmanville	1,428	1,015
Centerville	668	647
Change Islands	483	387
Fogo	571	662
Gambo	7,067	8,272
Gander	36,462	30,133
Gaultois	2,772	2,402
Glenwood	1,204	1,244
Glovertown	1,880	523
Grand Falls-Windsor	4,382	4,022
Greenspond	6,105	3,868
Harbour Breton	774	769
Hare Bay	751	759
Harry's Harbour	5,375	5,426
Hermitage	771	644
King's Point	6,070	3,652
LaScie	8,151	4,370
Lewisporte	6,237	4,312
Lumsden	677	524
Musgrave Harbour	780	731
Norris Arm	2,162	1,873
Point Leamington	963	948
Robert's Arm	4,025	3,900
St. Albans	899	1,047
Seal Cove	3,718	501
Springdale	1,025	958
Summerford	1,774	1,588
Twillingate	849	1,029
Wesleyville	488	448
	<b>122,520</b>	<b>100,466</b>



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD****SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)**

For the Year Ended March 31

2015

2014

**Western Newfoundland -  
Labrador Division**

Bay St. George South	1,744	1,281
Burgeo	593	617
Cape St. George	629	754
Cartwright	522	512
Churchill Falls	258	272
Codroy Valley	530	619
Cormack	1,687	1,311
Corner Brook	208,959	207,940
Cow Head	8,869	7,311
Daniel's Harbour	1,525	1,204
Deer Lake	16,816	15,353
Happy Valley	1,522	1,542
Labrador City	15,720	14,344
L'Anse au Loup	1,688	2,559
Lark Harbour	556	454
Lourdes	1,136	690
Norris Point	2,268	2,854
Pasadena	4,807	946
Port au Port	639	733
Port aux Basques	17,678	16,183
Port Saunders	7,578	5,310
Ramea	546	512
Rocky Harbour	440	463
St. Anthony	1,554	1,271
St. George's	1,090	1,529
St. Lunaire-Griquet	-	296
Sops Arm	1,209	835
Stephenville	30,370	33,124
Stephenville Crossing	1,455	1,478
Wabush	1,699	1,620
Woody Point	4,379	3,511
	<b>338,466</b>	<b>327,428</b>
	<b>\$ 758,391</b>	<b>\$ 707,027</b>



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

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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 and Early Childhood Development.

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 in excess of the grants provided by the Board or any expenditures in excess of these grants 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. 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 the Province, 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, accounts receivable, and due from the Province. Financial liabilities measured at cost include accounts payable and accrued liabilities. Financial liabilities measured at amortized cost include obligation under capital lease.



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

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

**(b) Financial instruments (cont.)**

The carrying values of cash, accounts receivable, due from the Province, 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.

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



# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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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 current salary levels.
- (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*, the employees of the Board are subject to the *Public Services Pensions Act, 1991*. Employee contributions are matched by the Board and remitted to the Public Service Pension Plan Corporation 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 six 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.



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

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

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

During the year, there were significant changes made to the Public Service Pension Plan. The changes include: increases in contribution rates of between 2.15% and 3.25% of pensionable earnings; calculation of pension benefits, for service on or after January 1, 2015, using the average of the best six years of earnings rather than the average of the best five years of earnings; calculation of pension benefits, for service before January 1, 2015, using 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 rather than the average of the best five years of earnings; and increases in the minimum age and/or service requirements for early retirement with an unreduced pension benefit. Employees who are eligible, or become eligible, to retire on or before January 1, 2020, are exempt from increases in the minimum age and/or service requirements for early retirement with an unreduced pension benefit.

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

**(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.



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

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

**(j) Measurement uncertainty**

The preparation of financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the expected future life of tangible capital assets, the probability of future severance payments made to employees with less than nine years of service 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.

**3. Accounts receivable**

	<u>2015</u>	<u>2014</u>
Federal Government		
Harmonized Sales Tax	\$ 37,304	\$ 44,010
Other	24,116	21,660
	<u>\$ 61,420</u>	<u>\$ 65,670</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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Investments held directly				
Sun Life Financial Services				
of Canada - 1,678 shares	\$ 65,492	\$ 64,234	\$ 23,492	\$ 23,492



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
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**5. Accounts payable and accrued liabilities**

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 114,297	\$ 178,592
Accrued salaries and benefits	708,935	680,596
	<u>\$ 823,232</u>	<u>\$ 859,188</u>

**6. Employee future benefits**

Employee future benefits consists of:

	<u>2015</u>	<u>2014</u>
Severance pay (a)	\$ 1,416,153	\$ 1,417,894
Accumulating non-vesting sick leave benefit liability (b)	746,292	753,861
	<u>\$ 2,162,445</u>	<u>\$ 2,171,755</u>

**(a) Severance pay**

Severance pay consists of the severance pay liability related to the following employees:

	<u>2015</u>	<u>2014</u>
Employees with 9 or more years of service	\$ 1,250,543	\$ 1,250,573
Employees with less than 9 years of service	165,610	167,321
	<u>\$ 1,416,153</u>	<u>\$ 1,417,894</u>

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

	<u>2015</u>	<u>2014</u>
Accrued accumulating non-vesting sick leave benefit obligation, end of year	\$ 793,770	\$ 760,665
Unamortized actuarial (loss), end of year	(47,478)	(6,804)
Accumulating non-vesting sick leave benefit liability, end of year	<u>\$ 746,292</u>	<u>\$ 753,861</u>



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

**(c) Accumulating non-vesting sick leave benefit expenses**

	<u>2015</u>	<u>2014</u>
Current year benefit cost	\$ 81,819	\$ 83,885
Employer contributions and benefit payments	(119,876)	(115,238)
Interest on accrued benefit obligation	28,924	28,632
Recognized actuarial losses	1,564	5,533
<u>Accumulating non-vesting sick leave benefit expenses</u>	<u>\$ (7,569)</u>	<u>\$ 2,812</u>

**(d) Employee future benefits**

**i. Severance pay**

Severance is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. The right to be paid severance vests with employees with nine years of continuous service, and accordingly a liability has been recorded by the Board for these employees. For employees with less than nine years of continuous service, the Board has made a provision in the accounts for the payment of severance which is based upon the Board's best estimate of the probability of having to pay severance to the employees and current salary levels. In determining the best estimate of the probability that employees would be paid severance, the Board considered the rate of employee turnover. Employees with prior service with the Government of Newfoundland and Labrador or a Crown corporation or agency may be considered for severance provided the previous employer followed the same or an equivalent severance policy. Severance is payable when the employee ceases employment with the Board provided no severance has been paid by Government or another Crown corporation or agency for the same period and the employee has at least nine years of continuous service.

**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, 2015, a sick leave liability was calculated for 219 employees.



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

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

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

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

The accrued benefit obligation for accumulating non-vesting sick leave benefits for the year ended March 31, 2015, are based on an actuarial extrapolation for accounting purposes to March 31, 2015 (valuation date as of March 31, 2012).

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 4.0% per annum and discount rate of 2.9%. Other assumptions used in the extrapolation include estimates of expected termination rates, utilization rates and mortality rates.

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

Experience gains or losses are amortized over 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, 1991* (the *Act*). The plan will be administered by the Public Service Pension Plan Corporation, 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% (2014 - 8.6%). The Board's contributions equal the employees' contributions to the plan. The Board is not required to make contributions in respect of any actuarial deficiencies of the plan. Total pension expense for the Board for the year ended March 31, 2015, was \$392,970 (2014 - \$398,643).



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

**7. Deferred revenue**

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. As at March 31, 2015, 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	\$1,806,275	\$ 100,000	\$ 372,117	<b>\$ 1,534,158</b>
Other source revenue	4,622	1,922	222	<b>6,322</b>
	<u>\$1,810,897</u>	<u>\$ 101,922</u>	<u>\$ 372,339</u>	<u><b>\$ 1,540,480</b></u>

Deferred revenue relates to grants received for specific programs such as literacy initiatives and library book purchases, and renovations to local libraries 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 or the capital equipment is acquired.

**8. Contractual obligations**

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

2016	\$ 677,476
2017	676,454
2018	589,598
2019	540,537
2020	480,904
Thereafter	<u>2,760,440</u>
	<u><b>\$ 5,725,409</b></u>



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
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**March 31, 2015**

**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.

	<u>2015</u>	<u>2014</u>
<u>Obligation under capital lease</u>	<u>\$ 27,864</u>	<u>\$ 31,942</u>

Payments under this obligation for the next 7 years are as follows:

2016	\$ 4,078
2017	4,078
2018	4,078
2019	4,078
2020	4,078
<u>2021 - 2022</u>	<u>7,474</u>
 Total minimum lease payments	 \$ 27,864

**10. Tangible capital assets**

**Original Cost**

	<b>Balance March 31, 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance March 31, 2015</b>
Land	\$ 285,907	\$ -	\$ -	\$ 285,907
Buildings	1,758,867	-	-	1,758,867
Building improvements	1,704,479	93,695	-	1,798,174
Furniture and equipment	1,828,476	30,768	16,275	1,842,969
Motor vehicles	206,809	-	-	206,809
Computer equipment	1,289,332	34,442	33,561	1,290,213
Software	168,688	-	-	168,688
Assets under capital lease	40,777	-	-	40,777
	<u>\$ 7,283,335</u>	<u>\$ 158,905</u>	<u>\$ 49,836</u>	<u>\$ 7,392,404</u>



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

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

**Accumulated Amortization**

	Balance March 31, 2014	Amortization	Disposals	Balance March 31, 2015	Net book value March 31, 2015	Net book value March 31, 2014
Land	\$ -	\$ -	\$ -	\$ -	\$ 285,907	\$ 285,907
Buildings	1,284,656	34,824	-	1,319,480	439,387	474,211
Building improvements	962,757	168,320	-	1,131,077	667,097	741,722
Furniture and equipment	1,229,569	102,782	16,275	1,316,076	526,893	598,907
Motor vehicles	187,483	14,138	-	201,621	5,188	19,326
Computer equipment	1,217,113	51,462	33,561	1,235,014	55,199	72,219
Software	168,688	-	-	168,688	-	-
Assets under capital lease	12,234	4,078	-	16,312	24,465	28,543
	\$ 5,062,500	\$ 375,604	\$ 49,836	\$ 5,388,268	\$ 2,004,136	\$ 2,220,835

**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>2015</u>	<u>2014</u>
Local libraries - deposits	\$ 107,160	\$ 101,381
Provincial Territorial Public Library Council	66,960	53,232
	\$ 174,120	\$ 154,613



**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

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**11. Trusts under administration (cont.)**

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, 2015 consists of cash of \$24,780 (2014 - \$23,412), and 4,261 shares (2014 - 4,119 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 the fair market value of \$82,380 (2014 - \$77,969), 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, 2015 was \$113,686 (2014 - \$103,138).

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

- (a) The Board receives grant funding from the Province of Newfoundland and Labrador. During the year, the Board received grants totaling \$10,446,325 (2014 - \$10,490,529). The Board recognized \$10,717,943 (2014 - \$11,079,503) in revenue from the Province of Newfoundland and Labrador.
- (b) As at March 31 2015, the Board was owed \$127,925 (2014 - \$236,700) from the Province of Newfoundland and Labrador.

**13. Budget**

The Board's budget is prepared on a cash basis. The 2015 budget expenditure exceeded the Province's current year provision for operating grants to the Board and the expected difference would be funded from cash surpluses carried forward from prior years.

**14. 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.



# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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### 14. Financial risk management (cont.)

#### 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 the 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 with the amount due from the Province because of its nature. 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.

#### 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, 2015. 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.



# PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2015

### 15. Expenses by Object

	<u>2015</u>	<u>2014</u>
Amortization	\$ 375,604	\$ 459,010
Books and Periodicals	893,213	903,760
Computerization of Libraries	269,249	226,312
Conference and Workshops	33,439	12,873
Early Literacy Program	299,465	452,644
Freight and Postage	37,203	35,661
Library Operations (Grants)	758,391	707,027
Insurance	75,039	76,505
Kinderstart Literacy Program	60,005	2,585
Loss on Disposal of Capital Assets	-	2,314
Miscellaneous	2,160	1,439
Office and Library Supplies	111,014	102,654
Professional Fees	28,536	21,495
Rental of Premises	356,590	415,091
Repairs and Maintenance	15,200	17,982
Salaries and Benefits	7,322,247	7,546,408
Telephone	54,195	57,808
Travel	88,117	80,437
	<u>\$ 10,779,667</u>	<u>\$ 11,122,005</u>

### 16. 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.

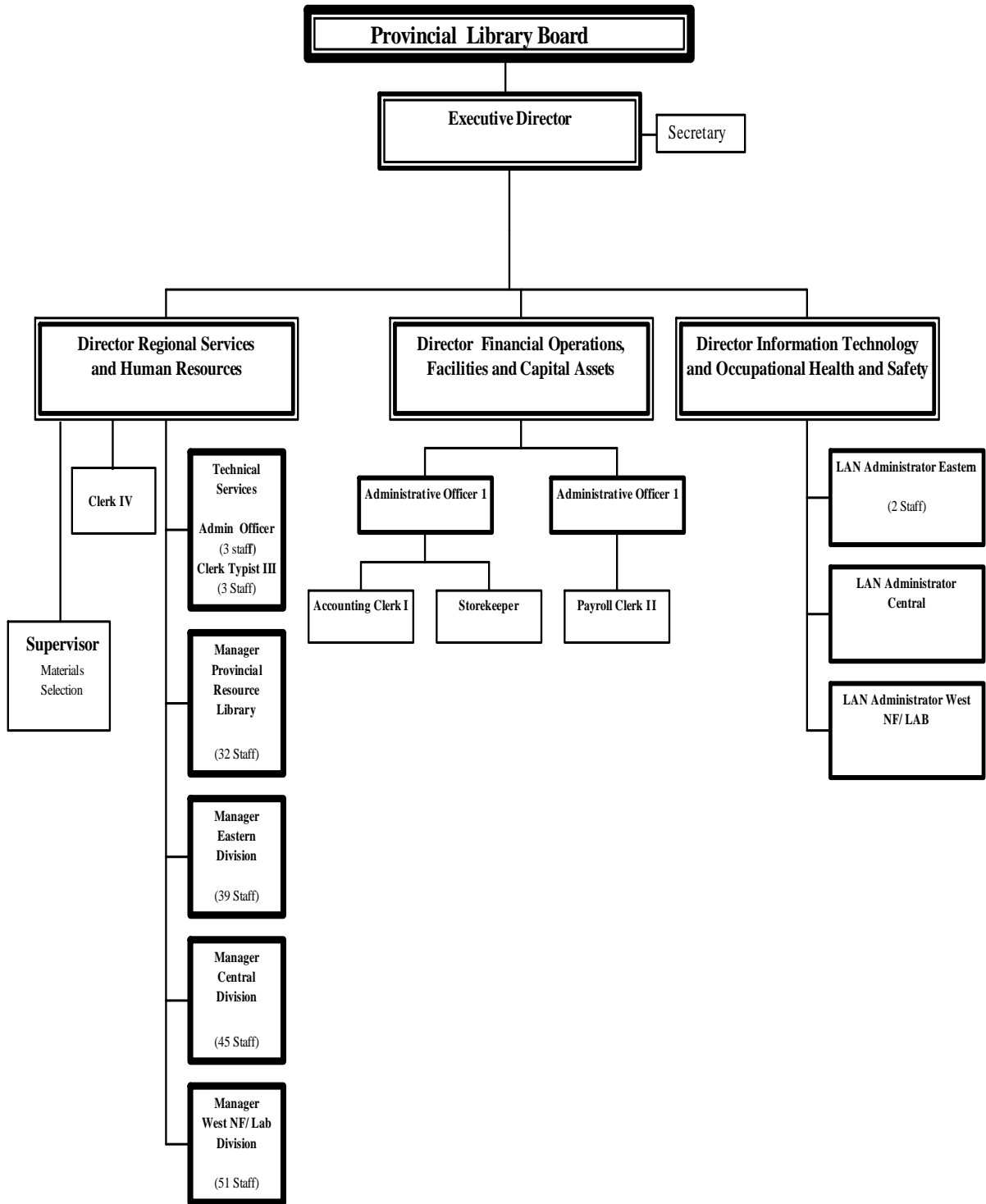
### 17. Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation.



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

**Provincial Information  
and  
Library Resources Board**  
Staff Organizational Chart



March 31, 2015