



Newfoundland & Labrador
Public Libraries

Annual Report

2011-12

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 Clyde Jackman
 Minister of Education
 Department of Education
 P. O. Box 8700
 St. John’s, NL
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August 28, 2012

Dear Minister Jackman:

In accordance with section 16 of the **Public Libraries Act RSN 1990 CHAPTER P-40**, as amended, and section 9 of the **Transparency and Accountability Act, SNL2004 T-8.1**, 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 2011-12.

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 depositories 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, divisional, and provincial 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.

This report was prepared under my direction and documents the activities and outcomes of the Provincial Information and Library Resources Board from April 1, 2011 to March 31, 2012 including our objective achievements for the goals relating to our 2012-14 plan. The outcomes reported support the strategic directions of government and my signature below is indicative of the board’s accountability for the actual results.

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 comprised 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 2012, can be viewed in Appendix 1.

Regional and Local Library Boards

The PILRB currently operates 96 public libraries 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

The PILRB offers a variety of services throughout Newfoundland and Labrador (NL). These services are available to individuals of all ages although some restrictions apply. 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, and
- use public computers and access the Internet.

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 computers.
- e) Patrons can utilize free wireless internet connectivity (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) Most online services are available from within the library and from a computer at home (online courses, online shopping, online banking, etc.)

2. Information Lending

- a) Public libraries lend print materials and, where available, materials in audio, visual and/or digital format. 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.
- b) Certain sites lend equipment such as digital cameras, laptop computers, etc.
- c) In selected areas of the province, patrons can borrow books-by-mail or receive books via home reader services.
- d) 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 and increase skills. 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 2011-12, the grant was \$11.2 million, which included annualized increases of \$496,300 for negotiated salary increases and additional, one-time, funding of \$100,000 for capital projects.

Many municipalities regularly contribute to the operation of public libraries. While actual funding was low in 2011-12 (approximately \$70,000), many provided in-kind contributions in the form of free or low cost rent, snow clearing, maintenance, etc. These in-kind contributions, which are not included in the budget figures, exceeded \$1,000,000. The remainder of NLPL funding was self-generated from fines, fees for service and donations. The total NLPL budget for 2011-12 was \$12.3 million.

The PILRB's fiscal position is audited annually by the Office of the Auditor General. A reproduction of the PILRB's financial statements for 2011-12 is attached in Appendix 3.

Staff Complement

As of March 31, 2012 the PILRB had a total staff complement of 209 full and part-time permanent employees (191 female and 18 male) and 183 substitute employees (172 female and 11 male). Substitutes are casual employees who are called to work when permanent staff members take leave. There were also approximately 800 volunteer library board members and many other individuals who volunteered to support their public library. The NLPL staff organizational chart can be viewed in Appendix 4.

Library Locations

There are 96 public libraries located throughout the province. These libraries are divided into four regions:

Western Newfoundland and Labrador	31	(includes 6 in Labrador)
Central Newfoundland	33	
Eastern Newfoundland	29	
St. John's	3	

Of the 96 public libraries, 32 are located in schools, 34 are located in municipal buildings, four are located in government buildings and 26 are located in PILRB owned or leased facilities.

Partnerships

The PILRB would not be able to provide the services it does without the assistance of its partners:

- Many municipalities support public libraries with funding or in kind contributions.
- Local volunteer library boards help keep libraries open and raise funds to help establish and support NLPL programs.
- The school districts, throughout the province, provide space for 32 school/public libraries as well as cleaning and maintenance services.
- The Community Access Program (CAP), a federal government initiative, has been instrumental in providing public computers, Internet access and training.
- The National Film Board (NFB) has been a long standing partner in library services providing products that otherwise would either be too expensive or not available. Unfortunately the NFB cancelled this service in 2011 and all of the content housed in libraries across the province became PILRB property. These materials will continue to be loaned while there is a demand.
- Sharing of resources and best practices continued with libraries at Memorial University and College of the North Atlantic.
- The Department of Education provides 91 percent of NLPL funding as well as expertise when needed. It has also partnered with NLPL for two new 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 Department of Transportation and Works has been a valuable partner in helping identify and correct issues with buildings or properties and when tendering for new library space.
- There are many other organizations and agencies that assist the PILRB on a daily basis. That support, which is critical to the effective and efficient public library operations, is truly appreciated by the boards and staff of NLPL.

OPERATIONAL ACHIEVEMENTS

In 2011-12 the PILRB implemented a new, automated data collection system which was developed by a team of staff members. This new system was necessary, not only to simplify the reporting and collating of statistics, but also to improve the accuracy of the information being reported. The new system, which includes expanded categories and definitions of public library activities, will help ensure the timely collection of accurate information, which will aid in the evaluation of operational and program changes. Unfortunately, with the changes to recording procedures in the new system, it is not possible to compare 2011-12 statistics with those from the previous years. This will, however, be possible in future. The following is a summary of NLPL operational activities during fiscal year 2011-12:

Library Services

- 514,536 people lived in Newfoundland and Labrador (2011 Census, Stats Canada).
- 442,409 people had direct access to public library facilities, which includes the full range of library services (represents approximately 86 per cent of the population). One hundred percent of the population had access to select library services through outreach initiatives such as Books-by-Mail and electronic resources.
- 109,328 individuals were registered as library patrons representing 25 percent of the population served.
- 225,497 reference requests were processed. This represents the number of written and verbal inquiries actioned by staff.
- 1,595,918 items (library materials) were circulated to all patrons (average of 15 items per patron). This represents the total materials loaned to NLPL patrons.
- 136,576 interlibrary loans were processed. This represents the number of items transferred from one library to another, within or outside NLPL.
- 10,722 library programs were offered (43,570 people participated).
- 28,174 items (25,442 ebooks and 2,732 audio books) were checked out from our new e-Library service, which was operational in June 2011 and officially launched in January 2012.
- 363,460 computer use sessions were generated from 550 public access computers (30 minute blocks).
- 110,074 wireless sessions were recorded, which represents the number of patrons who connected to the NLPL Internet services wirelessly using their own computer or device.
- 115,925 items were used in house but not borrowed.

Library Operations

- \$1,508,044 was allocated for library materials including:
 - \$611,817 for books
 - \$154,000 for periodicals
 - \$47,500 for standing orders
 - \$230,000 for electronic information services
 - \$116,000 for DVDs and videos

- \$20,500 for audio books
 - \$5,000 for talking books
 - \$60,000 for e-books
 - \$187,227 for early literacy materials in support of the new early literacy program
 - \$76,000 for miscellaneous items such as binding, fees, supplies and freight
- Three libraries were automated and went live in 2011-12: Gambo, Glenwood and Stephenville Crossing. Robert's Arm was scheduled to go live in 2011-12 but had to be delayed due to scheduling issues relating to training. (Automation refers to a process where the NLPL automated library management system is rolled out to a library. It involves the installation of software on staff computers, installation of barcodes on books so they can be automatically scanned in and out and inputting electronic patron records in the database. When a site is automated, the patron records have to be populated from zero and, based on past experience, it takes approximately three years for numbers to return to pre-automation levels.)
- Library capital improvements continued:
 - Construction of the new Corner Brook Library was completed. The new library was also equipped with new furnishing and equipment.
 - A new tender was awarded, to the existing landlord, for headquarters space in Stephenville. Major renovations were completed before the end of the year.
 - A new lift was installed in the Grand Bank Library completing the renovation project from 2009.
 - The renovation project was completed at the Deer Lake Library and the building was officially re-opened.
 - A renovation project was started at the AC Hunter Library in St. John's.
 - Another renovation project was started at the Harbour Grace Library.
 - Revitalization projects were completed in Pouch Cove, Brigus, Twillingate, St. Albans, King's Point, Cow Head, Labrador City, Happy Valley-Goose Bay and Wabush.
- Upgrading continued on furniture and equipment in library sites across the province in support of efforts to improve library spaces and improve access to programs and services.
- Meetings were held with a number of municipalities and groups regarding the need for new or improved public libraries in their communities including: St. John's, Portugal Cove - St. Philips and Conception Bay South.
- Meetings were held with representatives of the Department of Education and the School Districts to discuss school-public library spaces in Marystown, Burin, Wesleyville, Twillingate, Bay St. George South and St. Lunaire – Griquet.
- CAP funding was renewed for 2011-12, which resulted in \$490,000 of funding for purchases of hardware, software, furniture, and connectivity. Federal CAP funding ended March 31, 2012.

Technical Services

- 58,895 copies of library materials, including new purchases and donations, were received at Technical Services (45,763 copies of new library materials were purchased for public libraries around the province).
- 58,774 items were processed. Processing includes the stamping, repairing, covering and labeling of library materials.
- 47,686 copies of library materials, including new purchases, donations and existing materials, were catalogued. Cataloguing is a process where information relating to library materials is entered into a database according to standardized rules and practices. This facilitates the retrieval of collection information easily and quickly. Not all material received or processed is catalogued.
- Cataloguing of the music collection was expanded to include all libraries around the province.
- Cataloguing of video games was started.
- Cataloguing of the eLibrary materials was started after the launch of the new service in June 2011.
- Technical Service staff continued to participate in automation projects in an attempt to increase the number of automated sites across the province. Three sites were automated in 2011-12, bringing the total to 36 of 96 sites.

Special Projects/Activities

- A new data collection system was implemented. Several options were evaluated before a decision was made to develop an in-house system that was less expensive and permits customization based on specific NLPL needs. The new system will enable the tracking of activities and trends more quickly and accurately as well as the evaluation of program initiatives and service changes.
- The procedures for hiring and calling in the newly unionized substitute librarians were implemented April 1, 2011 and while the procedures worked reasonably well, there were some issues during the year. A new set of procedures was developed to help address the issues identified. The new procedures will become effective in 2012-13.
- A team of management staff participated in negotiations during the year. Negotiations began in the fall in advance of the expiration date of the existing collective agreement which was March 31, 2012. A new agreement was not reached before the expiration of the existing contract and negotiations will continue in 2012-13.
- Work continued on the implementation of the 70 recommendations arising from the operational review of the St. John's Public Libraries and the Provincial Resource Library. To date 43 recommendations have been actioned or completed.
- Discussions continued with the Canadian National Institute for the Blind (CNIB) to identify improvements to library services for persons with vision loss or a print disability, including the cost sharing of the operation of the CNIB Library.
- The Kinderstart/Public Library initiative continued again this year. Under this program children receive information about the public library and a free book when attending Kinderstart. They receive additional books when they visit the

library to obtain a library card. The initiative was started in fiscal year 2009-10. This is in support of government's strategic direction of "Expanded access to consistent early childhood learning to all families, with children from zero to six years of age, throughout the province," specifically the services component.

- A new early literacy consultant was hired to research, develop or adopt a suitable program for birth to three year old children. Once developed, the plan is to offer the program through public library sites with the possibility of outreach to communities without libraries. Funding was provided through the Early Childhood Learning Division of the Department of Education. This initiative is also in support of government's early learning strategic direction, specifically the programming component.
- Library sites across the province participated in the 2011 Summer Reading Program. This program is co-sponsored by the Toronto Dominion Bank and Library and Archives Canada.
- In June 2011, NLPL's new e-library service went live with an official launch in January. This new service 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. This new service will help expand library services to people who do not have access to a library or have difficulty getting to a library due to a disability or scheduling.

REPORT ON PERFORMANCE 2011-12

ISSUE: Accessibility to Library Services

In order to increase the usage of public library services by existing patrons and encourage more people to become library patrons, public library services must be readily available, of high quality and responsive to the needs of the public. Given the increasingly busy lifestyles of people, services have to be available at convenient times and be easily accessible from a variety of locations in order to encourage people to use them. There are also many communities without library facilities so alternate methods of service delivery must be developed to reach these areas. Services should be accessible to all people, regardless of their age, gender or ability. People should also know of and be easily able to find the services which are available. This goal supports the strategic directions of government in the areas of Early Learning and Academic/Learning Foundation (specifically, the library services component).

Most of the efforts during 2011-12 focused on identification of ways to improve accessibility to library services through improved programs and expanded services. This was done through completion of an environmental scan and establishment of a plan to improve accessibility to library services. Work also continued on expanding automation of library sites and enhancing promotion to increase awareness of and access to NLPL resources. In addition to these initiatives, a new data collection system was implemented and e-resources were expanded with the addition of the new NLPL e-library service. All of these will collectively help in the achievement of our goal.

Goal: By March 31, 2014, the PILRB will have improved accessibility to library services.

Measure: Improved accessibility to library services

Indicators:

- Enhanced programs
- Expanded services
- Expanded automation
- Enhanced promotions

2011-12 Objective

By March 31, 2012, the PILRB will have identified options to improve accessibility to library services based on identified gaps in programs and operations.

Measure: Identified options to improve accessibility

Indicators:

- Completed environmental scan
- Identified gaps in accessibility of library services
- Developed accessibility improvement plan
- Identified staff training needs
- Developed new data collection system
- Enhanced e-resources

Completed Environmental Scan

During 2011-12, the PILRB completed an environmental scan, which consisted of a literature review and a survey. The literature review was conducted in an attempt to identify issues which affect accessibility to library services. The information from the review was then used to develop a survey. The survey was distributed to all library sites in an attempt to prioritize issues which impact on accessibility. It was determined that board members and staff had a good knowledge of the issues within each site and were aware of most of the concerns of patrons. An additional survey of patrons and members of the public is planned for the future.

Identified Gaps in Accessibility of Library Services

During the past year, the PILRB conducted a survey to identify gaps in accessibility of library services. The survey results were reviewed and it was determined that the gaps relating to accessibility involved either services (e.g. are library services available at convenient hours?), programs (e.g. are high quality programs for children, teen, adult and senior library patrons offered regularly?), facilities (e.g. are libraries easily located and accessed by patrons?) and equipment (e.g. does the furniture and equipment facilitate use by children, seniors and persons with disabilities?). Those issues which related to the services and programs were tabulated and those factors which may have affected accessibility to services were prioritized. The prioritized list was divided into three categories: those gaps which local staff and board members can address; those which can be addressed by divisional offices as part of the regular divisional activities or capital projects; and those gaps which are best addressed by the provincial board and administration.

Developed Accessibility Improvement Plan

Based on the information obtained from the environmental scan and the survey, gaps in accessibility of library services were identified. From that information, the PILRB developed an accessibility improvement plan which outlines, for the local site, the divisional office and provincial administration, the areas and issues to be evaluated and addressed over the next two years. The list of issues which will be targeted includes, but is not limited to: signage, library layout and organization, adaptive technology, collection development, library programming and hours of operation.

Identified Staff Training Needs

One of the areas identified which could potentially impact on accessibility of library services was staff training. As a result, during 2011-12, the PILRB identified staff training needs through a review of the evaluations of the training sessions held over the past three years. In addition to this, meetings were held with representatives of the CNIB and the Independent Learning Resource Centre to identify training opportunities which could improve the services to persons with disabilities. This information will be used to form the basis of staff training sessions during the next two years. The areas of focus will include: customer service, electronic resources, readers advisory, and assistive technology. One or more training sessions are planned for each division in each of the next two years.

Developed New Data Collection System

Accurate and timely collection of library use information including patron numbers, programs and the number of participants, and types of materials borrowed is important in helping evaluate the effects of improvements to library facilities, hours of operation, programs, services or changes in policies. The existing library data collection system consisted of a manual collection of information, with limited detail, based on outdated definitions. The system was of little use when evaluating impacts of changes to library operations. It was difficult and time consuming, under the old system, to determine which days of the week or hours of the day, for example, would be better for the majority of library patrons, thereby improving accessibility to library services.

The intention of the PILRB was to develop a new data collection system in 2011-12; however, work on the system progressed ahead of schedule and the development and testing occurred in 2010-11. This was due to the fact that there were no existing proprietary systems that met the needs of the organization. A decision was made to develop the system in-house using a team of staff members instead of using a proprietary system. This positively impacted original timelines and, as a result, the system was actually launched on April 1, 2011. The new system is complemented by a revised set of indicators complete with definitions which was deemed critical to the standardization of data collection across the province. The new system captures data automatically from the NLPL library management system but also allows manual input of data not yet automated. Once the data is inputted, or captured at the site level, it is automatically tabulated by division and then provincially. The new system will enable the organization to evaluate the impact of changes to programs and services, including whether changes improve the accessibility to library services (e.g. do changes in the hours of operation or the days of operation result in more activity). The new system will facilitate the

establishment of baseline data and permit the evaluation by site, division, program, indicator or time.

Enhanced E-Resources

In 2011-12, the PILRB launched Overdrive, a new e-book and audio book service. The service allows patrons, with a valid library card, to download e-books or audio books to a portable device or a computer, either at the library, at home or any location with access to the Internet. During the first year of service more than 4400 e-book volumes and more than 1200 audio book volumes were purchased. During the few months of operation of the new service patrons borrowed 28,174 items.

In addition to the new e-book, audio book service, the NLPL also subscribes to other e-resources, referred to as electronic databases. These databases include Chilton Automotive Manuals, Consumer Reports, World Book Online and Tumble Book Readables for Children. These resources are constantly being evaluated and updated in an attempt to provide the best resources within the budget allocation. NLPL currently subscribes to 19 different electronic databases.

During 2011-12, work continued on the Key Project, an initiative to develop an electronic resource portal which will be accessible to anyone in the province with a valid library card. The site will be populated with electronic resources from the partner organizations. The intent of this initiative is to make more information available to the people of NL and pooling of resources will help achieve this. The partner organizations to date include NLPL, Memorial University, College of the North Atlantic and the Department of Education.

Other Activities Undertaken in Support of 2011-12 Objective

The following activity was also undertaken in 2011-12 which contributed to the completion of our objective:

Number of sites automated

Another improvement completed in 2011-12, which helped enhance accessibility of library services, was the automation of three additional library sites; this brings the total number of automated sites to 36. Automation helps improve the functionality of the library system. It enables staff to check-in and check-out materials automatically, track overdue materials, generate fines and create reports. It also enables patrons to be able to search materials, place holds, renew online and see best sellers based on patrons' selections. Automation helps improve access to library materials.

Discussion of Results

During the first year of this planning cycle a significant amount of time and effort was spent gathering information, researching, conducting surveys and identifying initiatives which will be implemented in 2012-13 and 2013-14. A new data collection system was implemented and work continued on automation of library sites. All these initiatives will support achievement of the goal to improve accessibility to library services. During 2012-13, implementation of the new initiatives will begin and work will continue on existing initiatives.

2012-13 Objective

By March 31, 2013, the PILRB will have begun implementation of select options to improve accessibility to library services.

Measure: Begun implementation of select options to improve accessibility

Indicators:

- Held Staff training sessions
- Revised hours of operation
- Automated additional sites
- Enhanced e-resources
- Enhanced programs

ISSUE: Facilities and Equipment

Libraries have traditionally been defined as buildings housing a collection of books and other information. While this definition is still partially accurate, libraries have evolved to become much more. They are also meeting places for community groups, computer access locations, training centres, or simply places of relaxation. Since the use of libraries has expanded so has the need to ensure they are conveniently located, modern and spacious, while complying with the various regulatory requirements for public spaces and catering to the needs of everyone regardless of age or ability. Library facilities are as important as the information they contain. It is important, therefore, to ensure that the facilities and equipment contribute to, rather than detract from, the library experience. This goal supports the strategic directions of government in the areas of Early Learning (the space and furniture requirements component) and Academic/Learning Foundation (the library services component).

In order to prioritize efforts and resources relating to facility and equipment upgrades, in 2011-12, efforts were focused on updating our facilities and equipment plans and completing environmental scans at select sites to determine needs. Work continued on installation of library signage and ongoing facility improvements. These initiatives will help facilitate achievement of our goal relating to improvements to library facilities and equipment.

Goal: By March 31, 2014, the PILRB will have improved patrons' library experience through facilities and equipment upgrades.

Measure: Upgraded facilities and equipment

Indicators:

- Improved facilities
- Improved equipment

2011-12 Objective

By March 31, 2012, the PILRB will have identified options to improve library facilities and equipment based on identified needs.

Measure: Identified options to improve library facilities and equipment

- Indicators:**
- Updated existing facility and equipment improvement plans
 - Completed environmental facility and equipment scan at select sites and identified needs
 - Installed new facility signs

Updated Existing Facility and Equipment Improvement Plans

During the past year, the existing facility and equipment improvement plans were updated based on feedback received from management and staff and the work completed to date. The plans now include options to improve the library space beyond simply addressing the conditions of the structure and equipment. The revised plans include initiatives to improve the functionality of the space including: installation of mobile shelving which will enable the space to be modified for program delivery where there is no separate program space available, installation of new adjustable computer workstations and furniture for persons with disabilities, upgrading the space to make it wheelchair accessible when practical, reducing the height of shelving and installing modified shelving units to allow easier access to material on low shelves, improving lighting, creating separate children's and teen's spaces where possible, installing new circulation desks with accessible service areas for children and persons with disabilities, improving signage within and outside the libraries, improving access to buildings, and upgrading parking areas and walkways. These additional initiatives will be considered for all future facilities and equipment upgrades.

Completed Environmental Facility and Equipment Scan at Select Sites and Identified Needs

In 2011-12, facility and equipment scans were completed at the following sites: Provincial Headquarters, AC Hunter Library St. John's, Harbour Grace, Cormack, Deer Lake, Lark Harbour, Pasadena, Sops Arm, Botwood, Bishop's Falls, Glenwood, Grand Falls-Windsor, Norris Arm, Point Leamington, Bell Island, Conception Bay South, Holyrood, Mount Pearl, Pouch Cove and Torbay. These sites were chosen based on requests received from sites and divisional managers and priorities established as part of our facility improvement and equipment plans. Priority was given to sites owned or operated by the PILRB or where the operations are cost shared by the PILRB and the municipality where the library is located.

Some site improvements were undertaken based on the needs identified in the scan including the need to make the space more functional and convenient, or to address the needs of specific groups including children and those with disabilities. Improvements included: children's reading rugs; mobile shelving units; ergonomic chairs, work tables, computer desks, and circulation desks; accessible public computer stations for the disabled; and child-friendly shelving and display units. Also, issues relating to broken or damaged equipment and furniture were addressed as well as any that could result in safety concerns.

Installed New Facility Signs

Complaints have been received from tourists that many of our libraries are not well marked or readily identifiable. In an effort to improve the visibility of library sites, emphasis was placed on the installation of new library signs during 2011-12. When possible, new signs follow a standard design template complete with a new public library logo developed in 2006. New signs were installed in St. John's, Bell Island, Pouch Cove, Torbay, Grand Bank, Marystown, Harbour Breton, Buchans, Summerford, Lumsden, St. Albans, Corner Brook, Ramea and Deer

Lake. To date a total of 38 sites have new signs installed.

In addition to this, local library boards have been advised to meet with their local municipalities to discuss requirements regarding placement of library directional signs within their municipality and to erect appropriate signs where possible. This will help new patrons and visitors locate the library within the community.

The coordinates of all library sites have also been completed and posted on our website. Anyone with a GPS can now input the coordinates of any library and receive specific directions to the facility.

Other Activities Undertaken in Support of 2011-12 Objective

The following activities were also undertaken in 2011-12 which contributed to achieving the objective:

Major Renovation Project

Each year one library site is selected, from the prioritized list established as part of the facilities plan, for major upgrading (up to \$100,000). That upgrading usually involves one or more of the following: roof, windows, doors, siding, flooring, walls, washrooms, lighting, furniture, circulation desk, or shelving. The major renovation project for 2011-12 was Harbour Grace. Unfortunately, while carrying out work on the building, it was determined that there were problems with sections of the walls, the foundation and the floor of the building. The proposed cost of repairs exceeded the funds allocated to the project and a special, one-time, funding request of \$100,000 was submitted and approved by the Department of Education. The additional funding was sufficient to complete the required renovations and the building will be reopened in early 2012-13.

Revitalization Projects

With 96 library sites in the province and available funding for only one major project per year, a decision was made to create an annual revitalization program whereby funding, of up to \$10,000 per year, would be provided to one library site in each division to provide a face lift or deal with specific issues. In some cases, local boards also contributed funds to help extend the work that could be undertaken. During the past year, revitalization projects were undertaken in Pouch Cove, Brigus, Twillingate, St. Albans, King's Point, Cow Head, Labrador City, Happy Valley-Goose Bay and Wabush public libraries.

New Library for Corner Brook

In addition to the capital improvements carried out during 2011-12, construction was completed on the new Corner Brook Public Library which opened for business in December 2011. The new, 11,000 sq. ft., library is a modern and spacious facility in the heart of the city which contains separate meeting and program rooms, a children's floor and lounging areas. This is the first new library opened in the province since 1984. Early indications show a significant increase in the number of patrons and the materials borrowed.

Occupational Health and Safety Issues

During the year, an attempt was made to establish an occupational health and safety program for the organization which is required under the Occupational Health and Safety Legislation. The program contains a number of key components including staff training, policies and procedures, workplace check lists and regular inspections of worksites to ensure health and safety issues are identified and addressed. Work is well underway and the program should be implemented in 2012-13.

Discussion of Results

During the first year of this planning cycle the existing facility and equipment plans were updated and scans were completed at a number of sites to evaluate conditions of the facilities and the equipment prior to commencing work. Following the scans, some work was undertaken. In addition to this, a significant amount of work was undertaken during the year to upgrade sites through a major renovation project, divisional revitalization projects, additional site and equipment upgrades and installation of new signage. The highlight of the year was the opening of a new 1100 sq. ft. library in Corner Brook. This is the first new library in the province since 1984. In 2012-13, work will begin on implementation of the options identified as a result of the revisions to the facility and equipment plans and the site scans.

2012-13 Objective

By March 31, 2013, the PILRB will have begun implementation of selected options to improve library facilities and equipment.

Measure: Begun implementation of selected options

Indicator:

- Commenced upgrades to parking lots, pathways and entrances
- Commenced upgrades to furniture, shelving and lighting
- Commenced reconfiguring of library spaces
- Commenced upgrades to equipment

OPPORTUNITIES AND CHALLENGES

During 2011-12 a number of opportunities and challenges, which are important to the board, were identified. They include:

Library Patrons and Services

The number of public library patrons in NL increased from 104,078 in 2010-11 to 109,328 in 2011-12 (an increase of 0.9 %), which represents approximately 25 per cent of the population served. While this is very promising, NL still has one of the lowest public library patron rates in the country compared to other provinces, which are reporting rates as high as 50 per cent of the population served. There is an excellent opportunity to increase the number of library patrons across the province.

Approximately 86 per cent of the population of NL has direct access to a library facility and the

services provided (within 15 kms). While efforts continue to increase access to library facilities, the greatest opportunity to improve access to library services is through outreach. New programs and services such as electronic resources, online programming, and outreach programming increase access for those who do not live in the vicinity of a library. Opportunities to improve service delivery will continue to be evaluated.

Electronic Resources

This past year, the PILRB launched its new e-library service. While this service is extremely popular, matching the demands for this new service against the ongoing demands of the existing library users who still prefer the print material, is one of our current challenges.

Community Access Program Funding (CAP)

Public computer access is one of the most popular library programs in this province. CAP funding was instrumental in establishing and maintaining this service. Unfortunately, the federal government advised that as of March 31, 2012, CAP funding would end. Options are being explored to ensure public computer access will continue in public libraries.

Appendix 1
Provincial Information and Library Resources Board
Members

Provincial Information and Library Resources Board
 2011-12 Board Membership
Divisional Board Representatives

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

Regional Board Observers

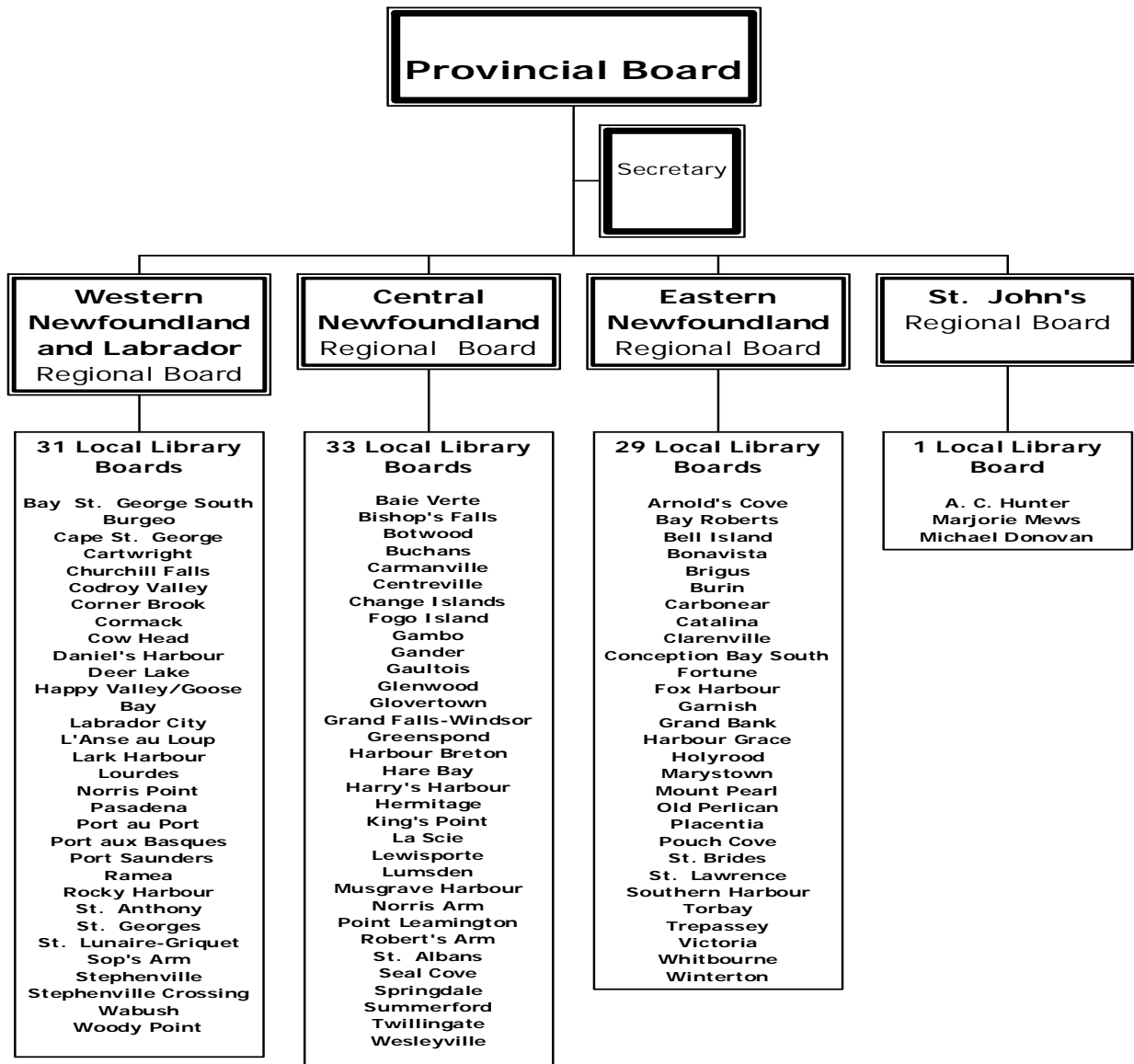
1. Noonan, Gillian Eastern Region	Old Perican
2. Jones, William Central Representative	Wesleyville
3. Ford, Augusta St. John's	St. John's
4. Neary, Pamela Western Newfoundland and Labrador Region	Wabush

Appointees of the Lieutenant Governor in Council

1. Bellows, Carla	Rocky Harbour (reappointed February 2012)
2. Walsh, Patrick	Mount Pearl (reappointed February 2012)
3. Sceviour, Brian	Lewisporte (appointment expired March 2012)
4. Hayward, Rick	St. John's (reappointed February 2012)
5. Burke, Audrey	Grand Falls - Windsor (appointed February 2012)
6. Hynes, Estelle	Kippens - (appointed February 2012)
7. Cole, Ramona (ADM Education)	St. John's (appointed February 2012)

Appendix 2
Newfoundland and Labrador
Public Libraries
Board Structures

**Provincial Information
and
Library Resources Board**
Board Structures



March 31, 2011

Appendix 3
Provincial Information and
Library Resources Board
Audited Financial Statements
2011-12

**PROVINCIAL INFORMATION AND
LIBRARY RESOURCES BOARD**

FINANCIAL STATEMENTS

31 MARCH 2012

Management's Report

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

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

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


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

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

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

On behalf of the Provincial Information and Library Resources Board.


Mr. Shawn Tetford
Executive Director


Mr. Andrew Hunt
Director of Financial Operations

27 August 2012



OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

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 31 March 2012, the statements of operations and accumulated surplus, 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.

Auditor's Report (cont.)

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

Basis for Qualified Opinion

The Provincial Information and Library Resources Board did not determine a liability for accumulating non-vesting sick leave benefits using the projected benefit method determined by an actuarial valuation as recommended by Section PS 3255, *Post-employment benefits, compensated absences and termination benefits*, and Section PS 3250, *Retirement benefits*, of the Canadian public sector accounting standards. As a result, a liability for accumulating non-vesting sick leave has not been recorded and it is not practical to quantify the financial effects on employee future benefits, salaries and benefits, annual deficit, accumulated surplus, and net debt.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Provincial Information and Library Resources Board as at 31 March 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



TERRY PADDON, CA
Auditor General

27 August 2012
St. John's, Newfoundland and Labrador

**PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF FINANCIAL POSITION**

31 March

2012

2011

	2012	2011
		Restated (Note 4)
FINANCIAL ASSETS		
Cash	\$ 2,620,519	\$ 2,247,110
Accounts receivable (Note 5)	130,926	88,363
Due from the Province	115,289	-
Portfolio investments (Note 6)	39,718	23,492
	<u>2,906,452</u>	<u>2,358,965</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	936,717	724,195
Employee future benefits (Note 8)	1,573,034	1,605,441
Deferred revenue (Note 9)	1,337,808	768,292
Obligation under capital lease (Note 12)	40,098	-
	<u>3,887,657</u>	<u>3,097,928</u>
Net debt	<u>(981,205)</u>	<u>(738,963)</u>
NON-FINANCIAL ASSETS		
Inventories held for use	70,703	66,599
Prepaid expenses	156,270	250,177
Tangible capital assets (Note 13)	2,806,198	2,560,235
	<u>3,033,171</u>	<u>2,877,011</u>
Accumulated surplus (Note 14)	<u>\$ 2,051,966</u>	<u>\$ 2,138,048</u>
Contractual obligations (Note 10)		
Contingent liabilities (Note 11)		
Trusts under administration (Note 15)		

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 AND ACCUMULATED SURPLUS
For the Year Ended 31 March

	2012 Budget (Note 16)	2012 Actual	2011 Actual Restated (Note 4)
REVENUE			
Province of Newfoundland and Labrador			
Operating grant	\$ 10,815,900	\$ 10,815,900	\$ 10,319,600
Capital grant	350,000	846,738	554,887
Other grants			
Computerization projects	-	478,941	639,924
Kinderstart Literacy Program	-	81,327	153,260
Early Literacy Program	-	3,690	-
Miscellaneous	-	59,561	73,593
Fines and lost library materials	40,000	55,231	55,931
Interest	60,000	38,297	27,981
Dividend revenue	-	2,416	2,416
	11,265,900	12,382,101	11,827,592
EXPENSES			
Amortization	-	629,026	612,937
Books and periodicals	1,458,043	1,128,294	1,139,390
Computerization of libraries	335,000	338,835	348,642
Conferences and workshops	60,000	11,080	35,786
Early Literacy Program	-	6,020	-
Freight and postage	96,750	51,005	53,527
Grants - local libraries (Schedule)	629,595	682,575	526,234
Insurance	109,000	71,643	69,462
Kinderstart Literacy Program	-	82,555	153,259
Loss on disposal of capital assets	-	1,987	3,089
Miscellaneous	-	8,577	2,408
Office and library supplies	195,761	241,521	283,708
Professional fees	7,500	20,832	19,726
Rental of premises	399,500	396,941	397,836
Repairs and maintenance	17,650	20,105	12,559
Salaries and benefits	8,786,099	8,591,995	8,106,728
Telephone	72,500	64,764	75,384
Travel	171,884	136,654	127,428
	12,339,282	12,484,409	11,968,103
Annual deficit	(1,073,382)	(102,308)	(140,511)
Accumulated surplus, beginning of year	2,138,048	2,138,048	2,278,559
Accumulated surplus, end of year (Note 14)	\$ 1,064,666	\$ 2,035,740	\$ 2,138,048

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 31 March

2012

2011

Accumulated remeasurement gains, beginning of year	\$ -	\$ -
Unrealized gains attributable to:		
<u>Portfolio investments</u>	<u>16,226</u>	<u>-</u>
Accumulated remeasurement gains, end of year (Note 14)	\$ 16,226	\$ -

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 31 March

	2012 Budget	2012 Actual	2011 Actual
			Restated (Note 4)
<u>Annual deficit</u>	<u>\$ (1,073,382)</u>	<u>\$ (102,308)</u>	<u>\$ (140,511)</u>
Use of prepaid expenses	-	250,177	202,868
Acquisition of prepaid expenses	-	(156,270)	(250,177)
<u>Net acquisition of inventories held for use</u>	<u>-</u>	<u>(4,104)</u>	<u>(2,772)</u>
	-	89,803	(50,081)
Acquisition of tangible capital assets	-	(880,955)	(636,718)
Loss on disposal of tangible capital assets	-	1,987	3,089
Proceeds from disposal of tangible capital assets	-	3,979	2,000
<u>Amortization of tangible capital assets</u>	<u>-</u>	<u>629,026</u>	<u>612,937</u>
	-	(245,963)	(18,692)
<u>Accumulated remeasurement gains</u>	<u>-</u>	<u>16,226</u>	<u>-</u>
Increase in net debt	(1,073,382)	(242,242)	(209,284)
<u>Net debt, beginning of year</u>	<u>(738,963)</u>	<u>(738,963)</u>	<u>(529,679)</u>
<u>Net debt, end of year</u>	<u>\$ (1,812,345)</u>	<u>\$ (981,205)</u>	<u>\$ (738,963)</u>

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 31 March

	2012	2011
		Restated (Note 4)
Operating transactions		
Annual deficit	\$ (102,308)	\$ (140,511)
Adjustment for non-cash items		
Amortization	629,026	612,937
Loss on disposal of capital assets	1,987	3,089
	<u>528,705</u>	<u>475,515</u>
Change in non-cash operating items		
Accounts receivable	(42,563)	67,586
Due from the Province	(115,289)	-
Accounts payable and accrued liabilities	212,522	(259,437)
Employee future benefits	(32,407)	370,497
Deferred revenue	569,516	(314,764)
Inventories held for use	(4,104)	(47,309)
Prepaid expenses	93,907	(2,772)
	<u>1,210,287</u>	<u>289,316</u>
Cash provided from operating transactions	1,210,287	289,316
Capital transactions		
Additions to capital assets	(880,955)	(636,718)
Proceeds from disposal of capital assets	3,979	2,000
	<u>(876,976)</u>	<u>(634,718)</u>
Cash applied to capital transactions	(876,976)	(634,718)
Financing transactions		
Proceeds from obligations under capital lease	40,777	-
Repayments of obligations under capital lease	(679)	-
	<u>40,098</u>	<u>-</u>
Cash provided from financial transactions	40,098	-
Increase (decrease) in cash	373,409	(345,402)
Cash, beginning of year	2,247,110	2,592,512
Cash, end of year	\$ 2,620,519	\$ 2,247,110

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 31 March

2012

2011

Eastern Division

Arnold's Cove	\$ 1,794	\$ 1,508
Bay Roberts	75,019	74,772
Bell Island	926	1,129
Bonavista	4,152	8,187
Brigus	6,615	5,912
Burin	605	549
Carbonear	39,630	39,671
Catalina	4,348	5,944
Clareville	24,640	19,742
Conception Bay South	11,932	11,525
Fortune	410	433
Fox Harbour	5,267	5,173
Garnish	448	920
Grand Bank	9,410	15,726
Harbour Grace	7,839	10,719
Holyrood	6,108	5,234
Marystown	7,040	6,360
Mount Pearl	15,619	16,403
Old Perlican	2,098	3,168
Placentia	17,396	20,162
Pouch Cove	9,300	2,250
St. Brides	7,388	7,403
St. Lawrence	572	3,726
Southern Harbour	1,058	3,384
Torbay	3,052	1,257
Trepassey	7,926	7,584
Victoria	955	1,106
Whitbourne	3,759	5,030
Winterton	531	600
	275,837	285,577

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

For the Year Ended 31 March

2012

2011

Central Division

Baie Verte	4,396	4,193
Bishop's Falls	1,829	1,325
Botwood	7,078	7,480
Buchans	711	696
Carmanville	938	1,011
Centerville	1,374	758
Change Islands	496	499
Fogo	595	637
Gambo	7,388	3,788
Gander	31,415	31,682
Gaultois	2,752	3,090
Glenwood	1,633	1,340
Glovertown	496	582
Grand Falls-Windsor	6,415	6,830
Greenspond	4,194	4,434
Harbour Breton	2,701	1,166
Hare Bay	1,027	958
Harry's Harbour	5,303	4,568
Hermitage	737	1,589
King's Point	4,601	6,161
LaScie	3,376	3,698
Lewisporte	4,524	5,049
Lumsden	1,083	741
Musgrave Harbour	654	816
Norris Arm	3,056	1,979
Point Leamington	728	1,508
Robert's Arm	4,164	3,773
St. Albans	8,260	934
Seal Cove	681	647
Springdale	1,219	4,640
Summerford	2,197	2,055
Twillingate	4,688	1,363
Wesleyville	531	839
	121,240	110,829

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)

For the Year Ended 31 March

2012

2011

**Western Newfoundland -
Labrador Division**

Bay St. George South	493	483
Burgeo	603	654
Cape St. George	1,152	645
Cartwright	505	709
Churchill Falls	371	410
Codroy Valley	592	596
Cormack	1,924	1,692
Corner Brook	164,336	9,594
Cow Head	6,700	6,472
Daniel's Harbour	1,250	1,592
Deer Lake	16,370	21,221
Happy Valley	2,743	3,596
Labrador City	13,990	11,793
L'Anse au Loup	2,866	669
Lark Harbour	840	510
Lourdes	749	746
Norris Point	2,376	1,882
Pasadena	3,925	2,173
Port au Port	1,097	1,104
Port aux Basques	13,545	13,479
Port Saunders	6,535	5,425
Ramea	788	644
Rocky Harbour	434	469
St. Anthony	1,497	1,551
St. George's	1,125	1,695
St. Lunaire-Griquet	454	1,259
Sops Arm	1,503	1,054
Stephenville	27,970	24,846
Stephenville Crossing	1,638	1,175
Wabush	2,241	3,103
Woody Point	4,886	8,587
	285,498	129,828
	\$ 682,575	\$ 526,234

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

31 March 2012

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. The Board's head office includes Administration, Technical Services and the Provincial Resource Library. 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

These financial statements have been prepared by the Board's management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the Canadian Public Sector Accounting Board. Outlined below are the significant accounting policies followed.

(b) Portfolio investments

Portfolio investments which do not have significant concessionary terms are recognized and measured at fair value when the portfolio investments are in equity instruments that are quoted in an active market. The Board used the quoted market price as at fiscal year end to measure the fair value of its portfolio investments.

Any unrealized gains or losses as a result of market price changes are reported in the statement of remeasurement gains and losses. Once the investment is derecognized as a financial instrument (i.e. shares sold), any gain or loss is then recognized in the statement of operations and accumulated surplus.

2. Summary of significant accounting policies (cont.)

(c) 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 Board's rate for incremental borrowing or the interest rate implicit in the lease. Note 12 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

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 and accumulated surplus.

Contributed tangible capital assets are recorded into revenues 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.

(d) 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.

(e) Prepaid expenses

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

2. Summary of significant accounting policies (cont.)

(f) Deferred revenue

Certain amounts are received by the Board pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

(g) Employee future benefits

- (i) 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 continual service, and accordingly a liability has been recorded by the Board for these employees. For employees with less than nine years of continual 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 continual service.
- (ii) Under the *Public Libraries Act*, Board staff are subject to the *Public Service Pensions Act*. Employee contributions are matched by the Board and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings average over five years. The maximum contribution rate for eligible employees was 8.6% (2011 – 8.6%). The Board's share of pension contributions and the total expense for 2012 was \$436,009 (2011 - \$409,444). The Board is not required to make contributions in respect of any actuarial deficiencies of the Plan.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

31 March 2012

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 as received.

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

The Board recognizes the receipt of government transfers as revenue in the period the transfer is authorized, any eligibility criteria are met, stipulations are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria and stipulations have been met.

(i) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

(j) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 severance payments made to employees with less than nine years of service.

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

31 March 2012

3. Changes in accounting standards: Early adoption of released CICA Public Sector Accounting Handbook sections

In March 2011, the Canadian Public Sector Accounting Board (PSAB) approved new Section PS 3450, *Financial Instruments*, Section PS 2601, *Foreign Currency Translation* and Section PS 1201, *Financial Statement Presentation* and in March 2012 the PSAB approved Section PS 3041, *Portfolio Investments*. The four sections are effective on 1 April 2012 for government organizations but earlier adoption is permitted. The Board decided to early adopt these sections for the year ended 31 March 2012 and, as a result, portfolio investments have been recorded at fair value and a statement of remeasurement gains and losses has been prepared which outlines the impact on the Board for the year ended 31 March 2012. The financial statements of prior periods including comparative information have not been restated.

4. Prior period adjustment

For the year ended 31 March 2012, the Board reviewed its calculation of its severance pay liability and determined the amount was insufficiently accrued as at 31 March 2011 for employees with less than nine years of continuous service. The severance pay amount was increased by \$106,552 as at 31 March 2011, resulting in a decrease of \$106,552 in accumulated surplus as at 31 March 2011. Salaries and benefits, and the annual deficit also both increased by \$106,552 for the year ended 31 March 2011. In addition, an amount of \$304,593 was reclassified as at 31 March 2011 from accounts payable and accrued liabilities to employee future benefits, which had been reclassified from severance pay liability, to conform to the current year's presentation.

Comparative Restatement 2010-11

	<u>2011</u>	<u>2011 Restated</u>	<u>Change</u>
Statement of Financial Position:			
Accounts payable and accrued liabilities	\$ 1,028,788	\$ 724,195	\$ 304,593
Employee future benefits	1,194,296	1,605,441	(411,145)
Accumulated surplus	2,244,600	2,138,048	(106,552)
Statement of Operations:			
Salaries and benefits	8,000,176	8,106,728	106,552
Annual deficit	(33,959)	(140,511)	(106,552)
Statement of Change in Net Debt:			
Annual deficit	(33,959)	(140,511)	(106,552)

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
31 March 2012

4. Prior period adjustment (cont.)

Comparative Restatement 2010-11 (cont.)

	<u>2011</u>	<u>2011 Restated</u>	<u>Change</u>
Statement of Cash Flows:			
Annual deficit	(33,959)	(140,511)	(106,552)
Employee future benefits	(40,648)	370,497	411,145
Accounts payable and accrued liabilities	45,156	(259,437)	(304,593)

5. Accounts receivable

	<u>2012</u>	<u>2011</u>
Federal Government		
Harmonized Sales Tax	\$ 94,288	\$ 45,817
Other	36,638	42,546
	<u>\$ 130,926</u>	<u>\$ 88,363</u>

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

6. 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Investments held directly				
Sun Life Financial Services of Canada - 1,678 shares	\$ 39,718	\$ 51,129	\$ 23,492	\$ 23,492
	<u>\$ 39,718</u>	<u>\$ 51,129</u>	<u>\$ 23,492</u>	<u>\$ 23,492</u>

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

31 March 2012

7. Accounts payable and accrued liabilities

	<u>2012</u>	<u>2011</u>
Accounts payable	\$ 208,933	\$ 164,728
Accrued salaries and benefits	727,784	559,467
	<u>\$ 936,717</u>	<u>\$ 724,195</u>

8. Employee future benefits

Employee future benefits consist of the severance pay liability related to the following employees:

	<u>2012</u>	<u>2011</u>
Employees with 9 or more years of service	\$ 1,442,410	\$ 1,498,889
Employees with less than 9 years of service	130,624	106,552
	<u>\$ 1,573,034</u>	<u>\$ 1,605,441</u>

9. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. As at 31 March 2012, the Board reported the following:

	<u>Balance at beginning of year</u>	<u>Receipts during year</u>	<u>Transferred to revenue</u>	<u>Balance at end of year</u>
Provincial source revenue	\$ 733,525	\$ 1,263,479	\$ 667,596	\$ 1,329,408
Other source revenue	34,767	11,062	37,429	8,400
	<u>\$ 768,292</u>	<u>\$ 1,274,541</u>	<u>\$ 705,025</u>	<u>\$ 1,337,808</u>

Deferred revenue relates to grants received for specific programs or capital equipment which has 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.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

31 March 2012

10. Contractual obligations

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

2013	\$ 668,451
2014	630,851
2015	501,851
2016	501,851
2017	500,829
Thereafter	<u>4,274,538</u>
	<u>\$ 7,078,371</u>

11. Contingent liabilities

The Board has received a complaint of harassment for which damages have been sought and which may give rise to future liabilities. A statement of claim has not yet been filed and the estimated amount to be claimed is not determinable. The outcome of these actions is not determinable, and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which the related claim is settled.

12. Obligations under capital lease

The Board acquired office furniture under the terms of a lease agreement ending 31 January 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. Payments under this obligation for the next 10 years are as follows:

2013	\$ 4,078
2014	4,078
2015	4,078
2016	4,078
2017	4,078
2018 - 2022	<u>19,708</u>
<u>Total minimum lease payments</u>	<u>\$ 40,098</u>

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
31 March 2012

13. Tangible capital assets

Original Cost

	Balance 31 March 2011	Additions	Disposals	Balance 31 March 2012
Land	\$ 285,907	\$ -	\$ -	\$ 285,907
Buildings	1,758,867	-	-	1,758,867
Building improvements	1,350,207	310,935	-	1,661,142
Furniture and equipment	1,661,648	228,000	266,734	1,622,914
Motor vehicles	190,646	25,937	9,774	206,809
Computer equipment	1,725,755	275,306	376,267	1,624,794
Software	168,688	-	-	168,688
Assets under capital lease	-	40,777	-	40,777
	\$ 7,141,718	\$ 880,955	\$ 652,775	\$ 7,369,898

Accumulated Amortization

	Balance 31 March 2011	Amortization	Disposals	Balance 31 March 2012	Net book value 31 March 2012	Net book value 31 March 2011
Land	\$ -	\$ -	\$ -	\$ -	\$ 285,907	\$ 285,907
Buildings	1,171,289	38,789	-	1,210,078	548,789	587,578
Building improvements	467,760	165,356	-	633,116	1,028,026	882,447
Furniture and equipment	1,257,289	88,720	264,677	1,081,332	541,582	404,359
Motor vehicles	87,499	41,362	5,865	122,996	83,813	103,147
Computer equipment	1,428,958	290,721	376,267	1,343,412	281,382	296,797
Software	168,688	-	-	168,688	-	-
Assets under capital lease	-	4,078	-	4,078	36,699	-
	\$ 4,581,483	\$ 629,026	\$ 646,809	\$ 4,563,700	\$ 2,806,198	\$ 2,560,235

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
31 March 2012

14. Accumulated surplus

The accumulated surplus is made up as follows:

	<u>2012</u>	<u>2011</u>
Accumulated surplus	\$ 2,035,740	\$ 2,138,048
Accumulated remeasurement gains	16,226	-
	<hr/> \$ 2,051,966	<hr/> \$ 2,138,048

15. 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>2012</u>	<u>2011</u>
Local libraries - deposits	\$ 96,892	\$ 80,761
Provincial Territorial Public Library Council	54,201	39,198
	<hr/> \$ 151,093	<hr/> \$ 119,959

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 31 March 2012 consists of cash of \$5,159, accounts receivable of \$15,353 and 4,140 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 \$76,380 (2011- \$75,415), as determined by the average cost at the time the shares were acquired by the Board. The fair market value of these shares at 31 March 2012 was \$81,280 (2011-\$85,101).

The Provincial Territorial Library Council is a national organization whose mandate is to study library services. Membership fees are paid each year into the account and expenses are periodically spent from the account as directed by the Council.

16. Budget

The Board's budget is prepared on the cash basis and, as a result, the 2012 budget expenditure exceeded the Province's current year provision for operating grants for the Board. The difference would be funded from cash surpluses carried forward from prior years.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

31 March 2012

17. Financial instruments

The Board's financial instruments recognized on the statement of financial position consist of cash, accounts receivable, due from the Province, portfolio investments, accounts payable and accrued liabilities, employee future benefits, and obligation under capital lease. The carrying values of cash, accounts receivable, due from the Province, accounts payable and accrued liabilities, and employee future benefits, approximate current fair value due to their nature and the short-term maturity or current market rate associated with these instruments, and no further risk exists. Portfolio investments are carried at fair value as disclosed in note 2(b) and note 6. Obligation under capital lease is carried at amortized cost and is not subject to interest rate risk as there is no interest charged on this obligation.

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. Risks currently managed by the Board include market risk and liquidity risk.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Board's portfolio investments are subject to fluctuations in market prices; however, due to the insignificant amount it is not a significant risk to the Corporation.

Liquidity risk

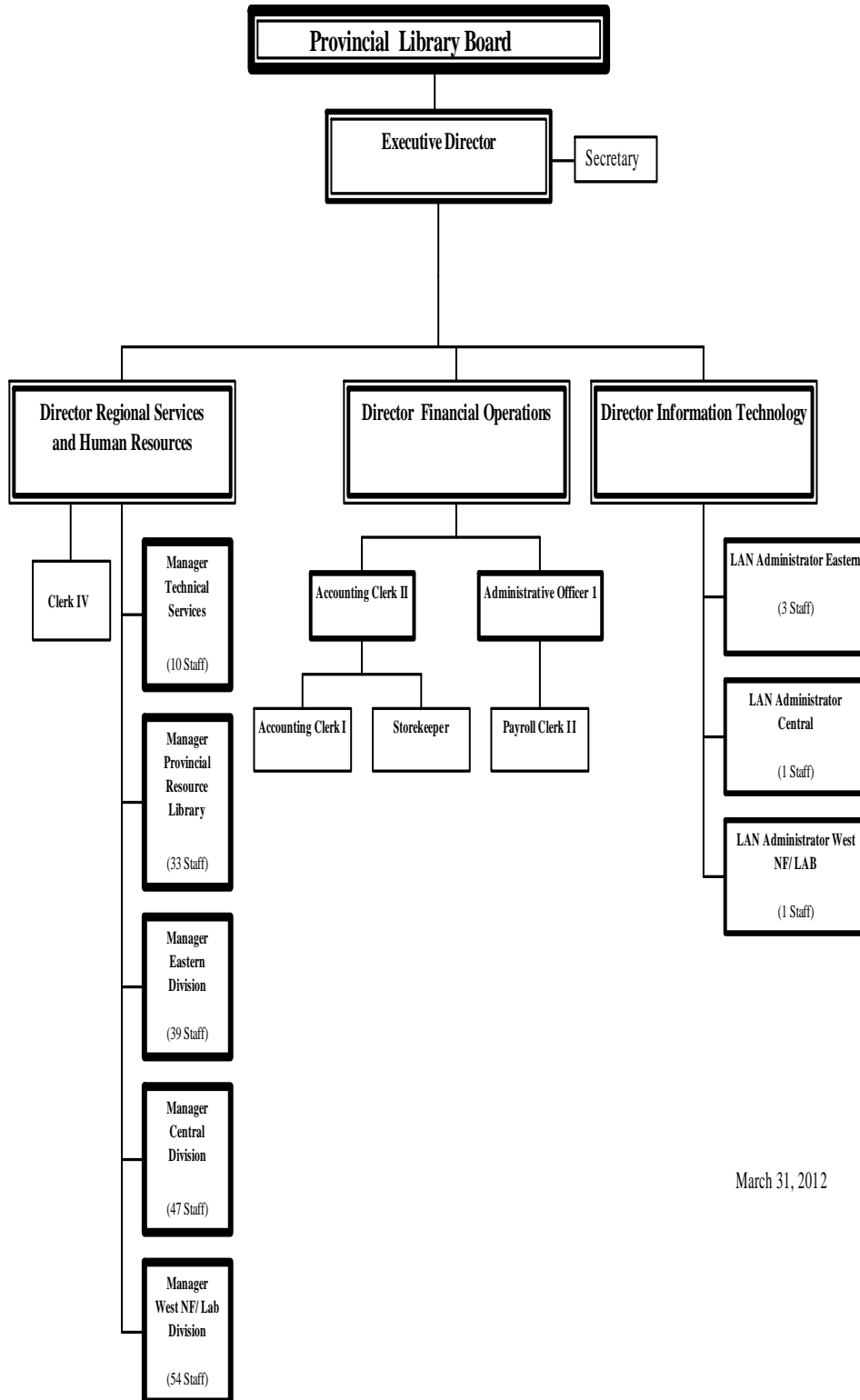
Liquidity risk is the risk that the Board will be unable to meet its contractual obligations and financial liabilities. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its obligations and liabilities.

18. 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, 2012