



Newfoundland & Labrador
Public Libraries

Annual Report

2016 - 2017

Submitted by

**The Provincial Information
and
Library Resources Board**

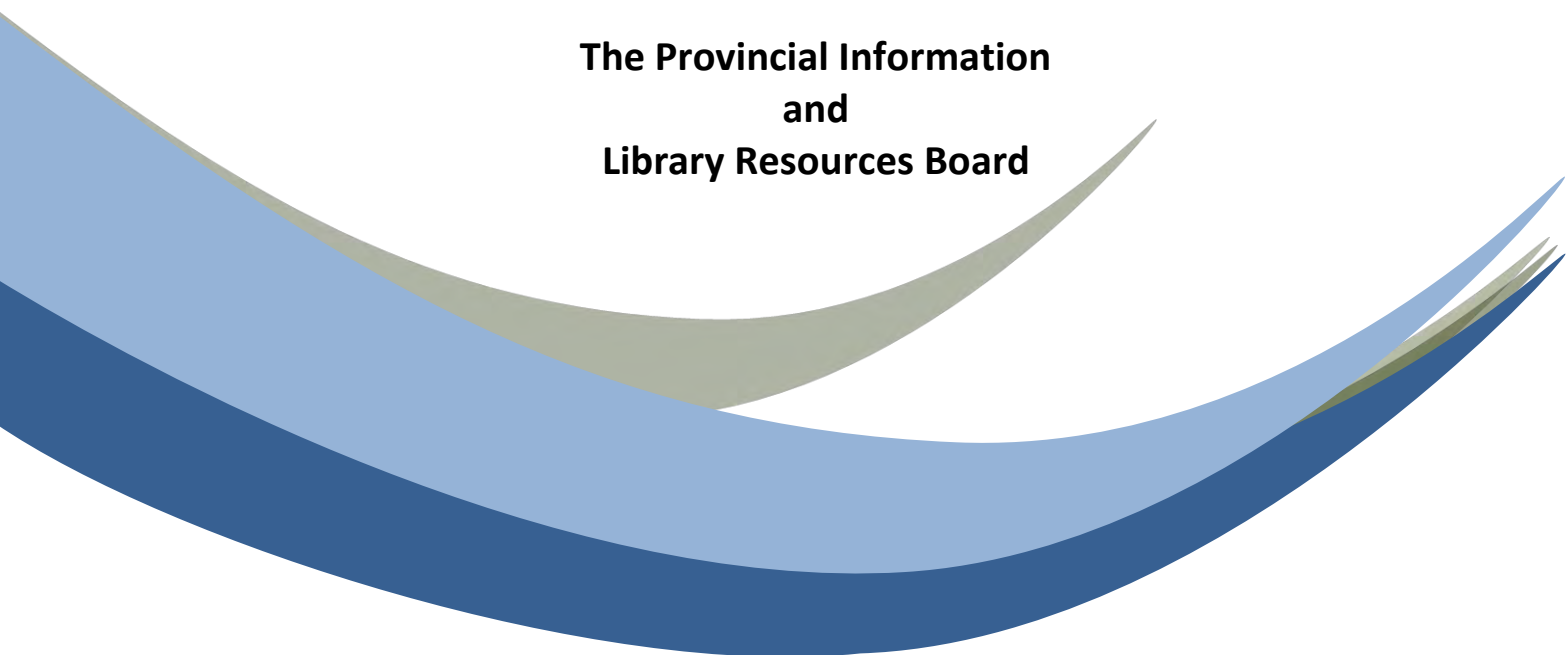


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Newfoundland & Labrador
Public Libraries

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

September 21, 2017

Honourable Dale Kirby
Minister of Education and Early Childhood Development
Department of Education and
Early Childhood Development
P. O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister Kirby:

I am pleased to submit, on behalf of the Provincial Information and Library Resources Board, the annual report for the year 2016-17.

This report was prepared in accordance with requirements of a category one entity under the **Public Libraries Act** and the **Transparency and Accountability Act**. The outcomes reported in this document detail the Newfoundland and Labrador Public Libraries performance in addressing the strategic issues outlined in the 2014-17 Strategic Plan.

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

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

Sincerely,

Calvin Taylor, Chair

BOARD STRUCTURES

Provincial Information and Library Resources Board

The Provincial Information and Library Resources Board (PILRB - the board) is a category one Government entity established, under 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.

PILRB is a provincial board composed of representatives of regional library boards and appointees of the Lieutenant-Governor in Council. The provincial board has not less than 10 and not more than 15 members which include: (a) a representative from each regional library board appointed by that board; (b) the chairperson of the St. John's Library Board appointed by that board; and (c) up to six other members appointed by the Lieutenant-Governor in Council. A list of board members, as of March 2017, is found in Appendix 1.

Regional and Local Library Boards

There are 94 public library locations throughout the province. Each local library is operated by a local library board consisting of five to nine members, with the exception of the three libraries in St. John's, which operate under the St. John's Library Board. A representative of each local library board is appointed to a regional library board, which assists 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

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

Library Funding

The public library system is funded, primarily, by the Provincial Government in the form of an annual operating grant. In 2016-17 the grant, was \$10,722,400. In 2016-17, new funding was received for the following:

- \$59,000 to offset the increase in salaries as a result of the implementation of the Job Evaluation System.

Many municipalities regularly contribute to the operation of public libraries either by providing direct funding or in-kind contributions. The funding provided from municipalities in 2016-17 was low (\$85,266) 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 2016-17 was \$11,475,633.

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 2016-17 are attached in Appendix 3.

Staff Complement

As of March 31, 2017, NLPL had a total staff complement of 198, comprised of 83 full and 115 part-time permanent employees (181 female and 17 male) and 175 substitute employees (167 female and 8 male). Substitutes are casual employees who are called to work when permanent staff members take leave. There were also approximately 700 volunteer library board members and many other individuals who volunteered to support their public library. The organizational chart is found in Appendix 4.

Library Locations

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

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

Of the 94 public libraries, 30 are located in schools, 34 are located in municipal buildings, four are located in government buildings and 26 are located in PILRB owned or leased facilities.

Highlights and Partnerships

During the past year 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 raised funds for extra operating hours and to help establish and support PILRB programs.
- The Newfoundland and Labrador English School District continued to provide space for 30 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 98 per cent of all PILRB funding as well as expertise when needed. It also continued its partnership with PILRB for two early literacy initiatives: Kinderstart and the Every Child Ready to Read Program. The Kinderstart initiative provides free books to preschool children upon visiting their public library and signing up for a library card. The Every Child

Ready to Read Program 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 with the tendering process.
- The Department of Education and Early Childhood Development engaged consultants to assess the library in Placentia to provide advice on what renovations would need to be carried out at the site.
- The Toronto Dominion Bank and Library and Archives Canada supported the TD Summer Reading Program and the Canadian Council for the Arts supported the Literary Readings Program. Both programs, offered in partnership with public libraries, helped enhance literacy.
- 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 PILRB in a variety of programs (e.g., “Canada Reads”) in support of reading and literacy.
- College of the North Atlantic provided surplus library shelving and agreed to transport new shelving from Stephenville to various libraries across the province at considerable savings to PILRB.
- NLPL partnered with the Office of the Privacy Commissioner in distributing bookmarks informing people on how to protect their personal and private information. These bookmarks were distributed to all NLPL sites.
- NLPL distributed bookmarks and information flyers on behalf of NL911 as the 911 system was implemented in Newfoundland Labrador.
- The Writer’s Trust of Canada provided bookmarks announcing the winner of the Vicky Metcalf Award for Literature.
- NLPL assisted in the Provincial Advisory on the Status of Women, by distributing bookmarks that contained information on the Violence Prevention.
- There were many other organizations and agencies that assisted PILRB on a daily basis. That support, which was critical to the effective and efficient operation of public libraries, was truly appreciated by the boards and staff.

Library Services

Each year PILRB records various statistics to help determine trends and evaluate the effectiveness of library programs and services. The following statistical summaries, from 2016-17, provide an overview of activities in the areas monitored:

- Of the 514,536 residents of the province (2011 Census, Stats Canada), 475,946 people (92.5 per cent) had direct access (within a 30 minute drive) to a range of library and information services through 94 public library facilities. One hundred per cent of the population had access to library materials either through library facilities or outreach initiatives such as Books by Mail, electronic resources and e-library services.
- 146,643 individuals were registered as library patrons representing thirty one per cent of the population with direct access to a public library. (This may not be a true reflection of the number of patrons because the patron records were not purged in 2016-17 and a

decline is expected when this occurs.)

- 1,474,049 items of library material were circulated to all patrons. This is an average of ten items per patron and represents a seven per cent decrease in circulation over the previous year.
- 226,634 reference requests were processed. This represents the number of written and verbal inquiries processed by staff and is an eight per cent increase over last year.
- 101,132 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 decrease compared to the previous year.
- 14,157 library programs were offered with a total of 126,049 people participating. There was a four per cent increase in the number of programs and an eight per cent increase in the number of people participating compared to the previous year.
- 194,236 items (174,606 e-books and 19,630 audio books) were checked out from our e-Library service. This represents a five per cent increase compared to the previous year.
- 238,327 computer use sessions were recorded (30 minute blocks) from 464 public computers. This represents an eleven per cent decrease compared to the previous year.
- 296,856 wireless sessions were recorded which represents the number of times patrons connected to the public library using their own computer or device. This represents a twenty per cent increase over the previous year.

Library Facilities

- The Town of Torbay continues to rent temporary space in a commercial building until December 31, 2017 in order to provide time to locate a suitable alternate permanent location for the library. This has been the second consecutive year that the town has rented this space.
- The Town of Gander provided and installed 21 windows in the Gander Public Library and Regional Office.
- The Town of Mount Pearl repaired and installed a new roof on the Mount Pearl Public Library.
- The St. Alban's Public library was indirectly impacted by the fire that destroyed the local school in Milltown. As a result the school relocated to the town hall which also housed the public library. In order to ensure that school activities carried on as normal, the library adjusted its hours to assist the school in providing educational services to the area, and accommodate the safe and caring schools policy.
- As part of the regular capital improvements, new roofing was installed at the Botwood Public Library, electrical work was completed in Port Saunders and Deer Lake and a new interior ceiling was installed in Clarenville Public Library.
- A series of upgrades (windows, drywall, siding, electrical, drainage, landscaping and asphalt work) was completed at the Port Basques public library that began in 2015-16 and was completed in 2016-17.

Library Materials

- 33,388 copies of new library materials were purchased for public library sites around the

province. This represents an increase of 875 items over the previous year.

- 9,960 copies were purchased through local fundraising initiatives. This represents a decrease of 2,709 items or a 21 per cent decline from 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 for license and fees
 - \$63,000 for miscellaneous items: binding, fees, supplies, freight, etc.

Technical Services (cataloguing and processing)

- 43,348 items were received in technical services. This represents the total materials which are received in the division and require some action.
- 43,004 copies of library materials, including new purchases, donations and existing materials, were catalogued. This represents a decrease of 10 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.
- 44,236 items were processed. Processing includes the stamping, repairing, covering and labeling of library materials. This represents a decrease of 3,039 items, or six per cent, from the previous year.
- Technical Services staff continued to participate in automation projects. Four projects, Old Perlican, Whitbourne, Baie Verte and Harbour Breton were completed in 2016-17. Since 2001 we have been able to automate 49 of our 94 public library sites. Automation of library sites involves installing the NLPL automated library management software system and inputting library material information. Automation allows patrons to view the holdings of the library online, expedites the checking in and out of materials and automatically tracks overdue and lost materials.

Special Projects/Activities

- The Express Collection was expanded to include Grand Falls and Gander libraries consisting of high demand books and DVDs available on a first come, first served basis for short term loan. The purpose of this new collection is to maximize use and access to the most popular items, increase circulation and showcase the most in-demand items and reduce hold lists.
- Science Literacy Week was held in September 2016 with 17 libraries participating in the central region.

- In June 2016, public libraries across the province participated in the Read to Remember campaign to commemorate the 100th anniversary of Beaumont Hamel.
- Early Literacy Initiatives continues with the focus being on enhancing programming and services for children birth to 6 years old and their caregivers, through staff training/support, new programming and resources.

Programming resource materials continue to be acquired and distributed to sites. These materials included toy kits, story time resource books, and the pilot of story time kits. An internal online guide is also being created so that staff may easily access story time information, resources, videos and appropriate links. A separate public guide, which will aim to share early literacy information and library services for children birth to 6 years old, will also be available to staff and patrons for reference.

In February 2017, outreach programming for KinderStart participants was advertised to schools across the province. This resulted in the scheduling of 22 presentations, to be offered during the period of Feb 1, 2017 to May 31, 2017, at 14 schools. A separate outreach initiative was offered to child care centres in Stephenville and surrounding area, which included the provision of a separate library card tied to the institution (not the individual) with adjusted borrower settings, book request service, and access to small group story time kits that contained books, props and songs for a specific theme.

- The Labrador Children's Book Week tour for the *Canadian Children's Books Centre* took place in May 2016. Author Sharon Jennings travelled to Labrador City, Wabush, and Happy Valley-Goose Bay where she did a combination of public and school readings.
- On March 16 and March 30, 2017 Marjorie Mews Library hosted a *Murder Mystery Event* with help from Morrigan Murder Mysteries, Pan Macmillian Publishing and author Anne Cleeves. It was extremely well received and is looking to expand the event to other libraries in the St. John's area in 2017-18.
- In 2016, 92 of 94 library sites across the province participated in the TD Summer Reading Program with a total of 2,591 children registered. This was an increase of five per cent in registration, with an additional two sites participating over 2015-16. This program was co-sponsored by the Toronto Dominion Bank and helps enhance the reading skills and literacy levels of children.
- The PILRB's e-library service continues to grow as a result of increased awareness and content. Circulation last year reached 194,236 items which was a five per cent increase over the previous year. The e-library is the most circulated collection in the NLPL system after the AC Hunter Library collection in St. John's. This service allows downloading of electronic books and audio books, from within the library or home, to a variety of devices such as a Kobo, Sony e-reader or Apple iPod/iPad. This e-resource is helping expand library services to people who do not have access to a library or have difficulty getting to one.

REPORT ON PERFORMANCE

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

Through the course of many years it has permeated through society and almost all segments of the population that public libraries have books. Lots of books, on many topics, in many shapes and sizes for all ages. It is not a topic that is new or surprising to the citizens of Newfoundland and Labrador. It is not something that PILRB needs to advertise. Despite this, modern public libraries suffer from a perception problem. Many people do not realize that public libraries have become places where the public can also obtain internet access, motion pictures, television series, computer training, genealogical information and programming for all ages. In order to communicate to the citizens of Newfoundland and Labrador the many products and services that can be found in the public library system, PILRB decided that it was necessary to enhance promotion of the value of the public library system.

Goal: By March 31, 2017, the Provincial Information and Library Resources Board will have 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

In the 2014-17 planning cycle PILRB was successful in enhancing the promotion of the value of the public library system through a variety of different activities.

Increased activities to enhance community awareness

In September 2015, each individual local library board was written a letter encouraging them to take the following actions:

- Seek out new board members to obtain fresh ideas for library activities and promotion;
- Submit any new ideas for programming or promotion to their Division Office;
- Identify new funding opportunities through partnerships inside and outside the province; and,
- Lobby local municipalities to provide funding or in kind support to their local library.

Increased communication efforts

In the 2014-17 planning period the Board increased its promotional activities in the following areas:

In May 2015, a comprehensive list of library program offerings was developed and released to divisional offices and local libraries. This identified upwards of 100 programs in 12 categories that could be promoted and delivered at local libraries. It also contained a list of potential organizations that local libraries could partner with to conduct these programs.

In October 2015 NLPL began sponsorship of the weekly children's page "Kid Scoop" in The Western Star daily newspaper. This made it easier for children and parents to identify NLPL as another source of children's activities and reading material.

During the planning period the NLPL Website, Twitter feed and Facebook pages were enhanced and assigned dedicated staff to insure that the social media presence of NLPL was consistent and provided useful information on library activities to all NLPL followers.

Additional promotional material in the form of day planners, key chains and pens, were distributed to local library boards in the NLPL system. In addition, phase one of a two year poster program was completed in 2016.

PILRB created and acquired a Newfoundland and Labrador animal themed, environmentally friendly library bag that was designed to increase excitement about using and visiting the public library. Additionally specialized colourful "Go Wild for Reading" Library Bags were distributed to library sites as prizes and promotion items.

In 2016-17, PILRB redesigned and reprinted Phase 2 of a two year poster program. In May 2016 all library sites received multiple copies of six different posters. These posters advertised various library services such as Summer Reading and Back to School Programs, DVDs, Audio and E-Books, along with other Services and Programs. An additional personalized promotional poster was designed to allow local libraries to customize the poster for their own personal events. Local library staff were instructed to partner with local businesses, municipalities, schools and government offices and post one of the six posters throughout their service area approximately once every two months.

Increased interaction with government

During the planning period the Board increased its profile with government through periodic meetings with members of the Department of Education and Early Childhood Development. These meetings provided the Board with expert advice and helped resolve operational difficulties in such areas as access to information and privacy protection, occupational health and safety, information management, Government's Safe and Caring Schools policy, building renovation and policy and planning.

From April to June 2016, the Board, in consultation with Government, began the implementation of a Regional Library System. During this period, daily contact with members of the Department of Education and Early Childhood greatly enhanced Government's knowledge of the exact types of program and services in the library system and how these services could be delivered through a Regional System.

In June 2016 the PILRB and members of Government formed a Steering Committee to guide the Operational Review of the Public Library System. Through this process, public consultations were held in various physical locations across the province. The results of these consultations were

recorded and shared with members of the Steering Committee, which raised the awareness of the value of public libraries not only to the Steering Committee but to Government as well.

Targeted partnership opportunities

During 2015-16, Professional Librarians in St. John's met with representatives of the City of St. John's to outline its promotional plan and coordinate local initiatives to bring new and existing patrons to the libraries for new programs.

As part of the promotional plan, local library sites were provided with promotional brochures highlighting literacy and library programming to be distributed in local child care and family resource centres, schools, and other facilities frequented by families with young children. This was designed to attract those individuals who may not have been currently aware of the service provided by their local library.

During 2015-16, NLPL advised schools of volunteer opportunities and developed student volunteer activity plans. NLPL managers contacted principals in various high schools to advise that volunteer opportunities were available through PILRB for students enrolled in Career Education 2201. NLPL designed a promotional community outreach and awareness project to be delivered by student volunteers. This was a library awareness project piloted in high schools in two of the Operating Divisions (Central and Western). Promotional scripts and materials were developed for use by student volunteers to make local citizens aware of various library programs and services. The program was designed to supplement the volunteer hours that high school students are required to complete in order to achieve a high school diploma.

The achievement of the 2014-17 goal relating to ***enhanced promotion of the value of the public library system*** was reached via the achievement of the objectives for the past two years and the 2016-17 objective as outlined below.

2016-17 Objective:

By March 31, 2017, the provincial board will have continued implementation of the promotional strategy.

Indicators: Implemented communications regarding the review process

Implemented communications regarding the review process

In June 2016, the Government of Newfoundland and Labrador announced an organizational and service review of the Newfoundland and Labrador public library system. This review was to be conducted by EY.

Throughout 2016 and 2017 PILRB hosted webpages solely dedicated to the dissemination of information pertaining to the review process, including the scope, operating principles, steering committee members, news releases, frequently asked questions, and general inquiries.

Information identifying times, dates and the ten locations, of the Public Consultation process was posted. After each event “What We Heard” documents summarizing the views of participants were posted for public viewing.

The site also hosted a public survey that permitted individuals the ability to participate in the review process.

PILRB coordinated with EY to provide staff email addresses to ensure that all staff of PILRB had an opportunity to participate in the review processes through a staff survey.

PILRB established a social media campaign on Twitter and Facebook to announce and advertise the time and locations prior to public consultation sessions.

The Board established and monitored an email address that members of the public could send inquiries about the review process.

Discussion of Results

As part of the review of the Newfoundland and Labrador public library system conducted by EY, public consultations, public and staff surveys, and written submissions were requested from the public and staff. These activities and the subsequent promotion of this information on “What We Have Heard” webpages provided our patrons with the opportunity to consider their perceptions of the Newfoundland and Labrador public library system. Patrons and staff could not only express their own viewpoints but examine the views of other patrons. The public shared their experiences and discovered the various programs and services of the public library system. This process revealed not only other patrons’ viewpoints but the importance of libraries to the Provincial community.

The public consultations were attended by 451 individuals. These were comprised of members of the public, local library board volunteers, and NLPL staff. The public survey was completed by 2,119 individuals, 383 written submissions were received, and 124 out of a staffing complement of 198 NLPL employees completed the staff survey.

The continued roll out of the Every Child Ready to Read program increased awareness of the role public libraries play in childhood literacy and development.

In the seven major reportable usage categories, four of the categories saw usage increases over the previous year. The largest increase came in the form of Wi-Fi connections with a 20 per cent increase over 2015-16.

It should be noted that the organizational and service review of libraries announced in June 2016, will impact the future of the provincial library system requiring the review of all promotional plans as a result. At this point in time, impacts of change to the system cannot be readily predicted.

ISSUE 2: Sustainability Plan for the Public Library System

Many changes have occurred over the past 10 years that impact on public library services. Issues such as changing technology, demographics and client expectations affect where libraries are located, how libraries function, what services are provided and options for service delivery. The purpose of the sustainability plan was to help create a strong and vibrant public library system to serve the residents of the province in the future. PILRB was required to utilize its limited resources in a prudent and fiscally responsible manner to not only maximize library services but to ensure that NLPL remains a viable organization.

Goal: By March 31, 2017, the provincial board will have maximized its services within 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

In the 2014-17 planning cycle PILRB was mostly successful in maximizing its services within current fiscal resources through a variety of different activities.

Identified and implemented operational efficiencies where possible

In 2014-15 the board reviewed NLPL's core services to determine whether any existing services should be removed or new ones added.

In January 2016, PILRB neared completion of a sustainability plan that would have focused on three main areas: Improved Efficiencies, Increased/Reallocated Resources and Maximized Services. Work began on this plan with operational reviews and changes implemented in the following areas:

- Internet Connectivity - increasing the speed and lowering the cost of connectivity to public libraries
- Mobile and Physical Phone Use - lowering the types and number of physical phone lines and features and transitioning to more cost efficient mobile phone packages
- Green Plan - reducing the impact of PILRB operations on the environment, including the elimination of paper forms and processes in the business office
- Information Technology Infrastructure Plan - reducing the number of computer servers and providing for more efficient long term redundancy of PILRB's Information Technology infrastructure

In February 2016, the operational focus and direction of the organization shifted. PILRB refocused its limited human resources and tasked its Directors and Division Managers to identify options that would sustain the organization in light of the new fiscal realities facing the Government of Newfoundland and Labrador. Therefore, this plan was not completed.

Engaged staff throughout sustainability process

In addition to regular discussions with the provincial board and senior staff, in 2014-15 a survey was delivered to all public library staff and local library 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; and,
- 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 per cent. The information obtained was used when evaluating the importance of various components of library operations during development of the sustainability plan.

Pursued alternate funding opportunities

During 2015-16 additional sources of revenues were explored to assist the organization in obtaining additional funding resources beyond the traditional operating grant from the Government of Newfoundland and Labrador. Potential sources of additional funding were identified in the following areas:

- Expansion of municipal partnerships to increase the amount of in-kind contribution from municipalities to local library operations, which would lessen the amount of direct funding required to operate local libraries.
- Increase the percentage of library fine and lost material fee collection through the expansion of computer automation to non-automated sites. In 2015-16, one additional site was automated bringing the number of sites automated to 47 out of 94 library sites.
- Implement a fee for service of \$1 per check out for DVDs that are new and in high demand.
- Increase public donations through the inclusion of a donate button on our website, and to have donation envelopes present at all local library sites.

Enhanced staff development and recruitment

During 2015-16, PILRB developed an improved staff development and recruitment plan. The first step in the plan was the creation and recruitment of four additional professional librarian positions. Detailed professional job descriptions were created, evaluated, and submitted for classification. Upon classification, four nation-wide job competitions were held to successfully fill the following positions created with the aim of supporting staff development and recruitment.

Three Regional Librarians

The structure of the NLPL system consists of 94 sites, with five divisions supported by a provincial headquarters. There is one executive director, three directors and four managers to manage all the activities generated by these sites. Each manager has approximately 30 libraries to manage,

with upwards of 50 staff per division. Except for one support staff, there is no other assistance for the manager to utilize. When the manager is on leave, there is no one available to manage the division.

There was also an identified need for an increase of Professional Librarians within the organization. There were no Professional Librarians outside of St. John's to provide library expertise and professional support for 92 of the 94 public libraries. PILRB had only four Professional Librarians to service the entire organization.

To address the above issues, three additional professional librarian positions were created and hired, one each in Western, Central, and Eastern Divisions. The duties include providing support to rural library operations with professional services, and providing some support when the Division Manager is absent. The hiring of the Professional Librarians is also a fundamental first step in increasing staff training and development of local library staff as part of the PILRB's staff development and recruitment plan. Without their expertise, it would be highly unlikely that the PILRB would have the staffing capabilities to introduce a comprehensive training program.

Systems Librarian

PILRB has also enhanced its information systems. An integrated library management system (Horizon) was implemented, providing needed improvements to the operations of the organization. It was identified that there was insufficient resources to manage the library management system and, without a dedicated staff member, maximum benefits of the systems would not be achieved.

Automated circulation has now been rolled out to 47 library sites. A Professional Systems Librarian was hired to administer the library management system and to orchestrate the continual rollout of automation to the individual library sites. This position also manages, administrates and trains staff in the NLPL's new e-library system and collection.

The achievement of the 2014-17 goal relating to **maximize services within current fiscal resources** was mostly reached via the achievement of the objectives for the past two years and the 2016-17 objective as outlined below.

2016-17 Objective:

By March 31, 2017, the provincial board will have continued implementation of select options to maximize services.

Indicators: Commenced development of new sustainability plan pending outcome of an organizational and service review

Commenced development of new sustainability plan pending outcome of an organizational and service review

The Newfoundland and Labrador public library system has traditionally been a challenge to operate with 94 libraries, four divisional offices, and a provincial headquarters, all located in a geographically disperse environment. However, the Board has always strived to provide the best public library services within its means.

The Board did not commence development of a new sustainability plan in 2016-17. The organizational and service review was anticipated to be completed and delivered in early winter 2017. As a result, the Board anticipated beginning work on a new sustainability plan prior to March 31, 2017. The report was released May 18, 2017, thereby preventing the Board from commencing work on a new sustainability plan in 2016-17.

Discussion of Results

During 2015-16 efforts were primarily focused on achieving the indicators of PILRB's 2014-17 Strategic Plan. Work had begun on identifying and implementing operational efficiencies that would make the NLPL system more efficient and sustainable. Professional Librarians were recruited to shore up the administration arm and to bring direct expertise to local libraries, and bring long term continuity to the PILRB's Integrated Library System. Plans were being developed to increase revenues to help sustain 94 libraries, in four operating divisions.

PILRB installed a PayPal Donation button on its main webpage which permits individuals to donate online to any of the 94 libraries in the NLPL system. In addition to this, PILRB distributed donation envelopes and display racks to each library to make it easier for the public to donate funds to their local library.

In February 2016, the operational focus and direction of the organization shifted. PILRB refocused its limited human resources and tasked its Directors and Division Managers to identify options that would sustain the organization in light of the new fiscal realities facing the Government of Newfoundland and Labrador. The entire process consumed a large portion of the NLPL strategic planning resources and assisted in the identification and creation of a new system that would transform NLPL into a Regional Library System. NLPL has recognized that the original sustainability plan under development had become redundant and would be replaced by the Regional Library System.

In June 2016, this decision was suspended and an organizational and service review was announced. This review will form the future of provincial library resources.

The organizational and service review was anticipated to be completed and delivered in early winter 2017. However, the report was released on May 18, 2017, thereby preventing the Board from commencing work on a new sustainability plan in 2016-17.

OPPORTUNITIES AND CHALLENGES

During 2016-17 a number of opportunities and challenges, which are important to the board, were identified. They include:

Online Opportunities for NLPL

As Information and Communication Technologies (ICT) progress in sophistication and importance, there are numerous possible avenues for PILRB to reach new patrons and expand services to current patrons. These possibilities are founded upon current offerings in the Newfoundland & Labrador Public Library's e-library (<http://elibrary.nlpl.ca>), which provides access to timeless and popular fiction and non-fiction in formats familiar to a new generation of library users and valued by our loyal patrons who are navigating the ever expanding world of ICT. As society settles upon the formats in which content will be consumed, public use has shown that a mix of traditional print and innovative electronic resources are desired. PILRB is in the process of augmenting its strong foundation of print material with a robust offering of electronic services. The Board is investigating new streaming services, online periodical offerings, and upgrades to ICT infrastructure that will provide the necessary resources demanded by the watershed that defines our current age.

Early Literacy

As the partnership with the Department of Education and Early Childhood Development and associated government funding continues, there will be great opportunity to enhance library spaces to be more inviting for families and to elevate children's programming. Through staff training, outreach, promotion, and resource development libraries can continue to move forward in creating spaces where families enjoy spending time and early literacy development is supported. The Every Child Ready to Read Program will continue to be an instrumental tool in training staff, assessing early literacy spaces, and infusing research into existing programming.

Appendix 1
Provincial Information and Library Resources Board
Members

Provincial Information and Library Resources Board

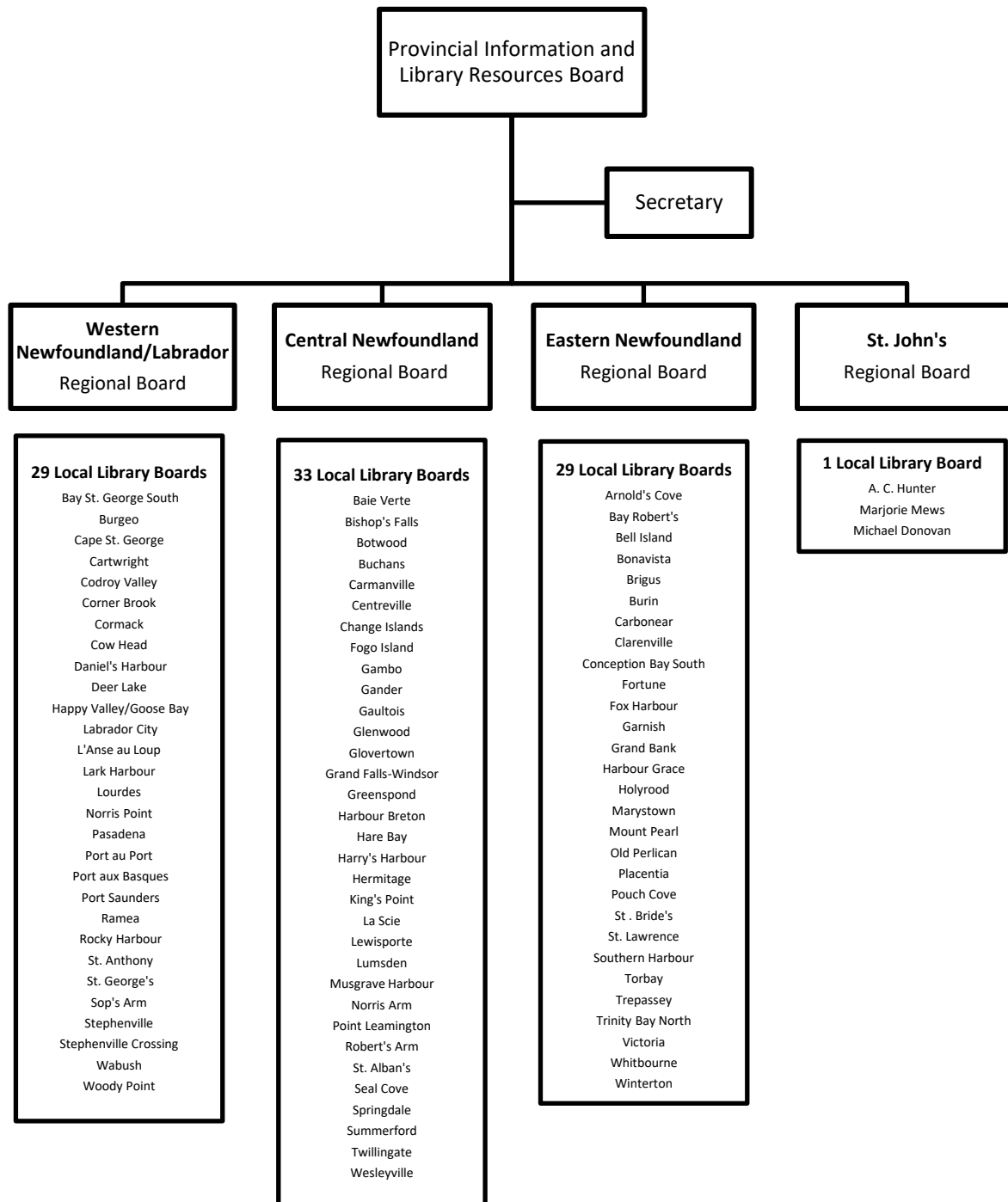
Board Membership as of March 31, 2017

Name	Location	Appointment Type
Alpen, Myrtice	Lewisporte	Central Board Representative
Bellows, Carla	Rocky Harbour	LGIC
Butler, Joan	Conception Bay South	LGIC
Goodridge, Alan (Vice-Chair)	Goulds	St. John's Board Representative
Hynes, Estelle	Kippens	LGIC
Maddigan, Beth	St. John's	LGIC
Noonan, Gillian	Old Perlican	Eastern Board Representative
Pink, James	Burgeo	Western Board Representative
Taylor, Cal (Chair)	Conception Bay South	LGIC
Walsh, Patrick	Mount Pearl	LGIC

Appendix 2
Newfoundland and Labrador
Public Libraries
Board Structures
March 31, 2017

Newfoundland and Labrador Public Libraries

Board Structures



Appendix 3
Provincial Information and
Library Resources Board
Audited Financial Statements
2016-17

**PROVINCIAL INFORMATION AND
LIBRARY RESOURCES BOARD**

FINANCIAL STATEMENTS

MARCH 31, 2017

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.

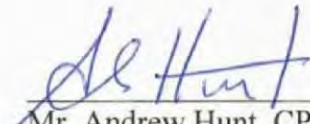
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

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

On behalf of the Provincial Information and Library Resources Board.



Mr. Andrew Hunt, CPA, CGA
Executive Director



**AUDITOR
GENERAL**
of Newfoundland and Labrador

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, 2017, 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, 2017, 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 19, 2017
St. John's, Newfoundland and Labrador

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF FINANCIAL POSITION

As at March 31

2017

2016

FINANCIAL ASSETS

Cash	\$ 3,302,143	\$ 3,257,231
Accounts receivable (Note 4)	48,461	65,159
Due from the Province	-	296,165
Portfolio investments (Note 5)	81,718	70,308
	3,432,322	3,688,863

LIABILITIES

Accounts payable and accrued liabilities (Note 6)	668,557	674,021
Employee future benefits (Note 7)	2,100,453	2,136,903
Deferred revenue (Note 8)	957,213	1,336,695
Obligation under capital lease (Note 10)	19,708	23,786
	3,745,931	4,171,405
Net debt	(313,609)	(482,542)

NON-FINANCIAL ASSETS

Inventories held for use	65,695	81,872
Prepaid expenses	182,327	199,480
Tangible capital assets (Note 11)	1,809,545	1,992,677
	2,057,567	2,274,029
Accumulated surplus	\$ 1,743,958	\$ 1,791,487

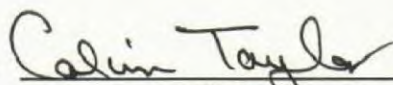
Accumulated surplus is comprised of:

Accumulated operating surplus	\$ 1,685,732	\$ 1,744,671
Accumulated remeasurement gains	58,226	46,816
	\$ 1,743,958	\$ 1,791,487

Contractual obligations (Note 9)
Trusts under administration (Note 12)

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

Signed on behalf of the Board:


Chairperson


Member

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

	2017 Budget	2017 Actual	2016 Actual
(Note 14)			
REVENUE			
Province of Newfoundland and Labrador			
Operating grant	\$ 10,602,000	\$ 10,884,303	\$ 11,140,065
Capital grant	194,805	94,805	365,200
Early Literacy Program	-	86,190	142,620
Kinderstart Literacy Program	-	36,584	32,465
Miscellaneous	65,000	98,212	67,041
Fines and lost library materials	55,500	56,611	55,981
Interest	34,000	35,661	34,928
Gain on disposal of tangible capital assets	-	-	6,163
Dividend revenue	-	2,768	2,584
	10,951,305	11,295,134	11,847,047
EXPENSES (Note 17)			
Administration	2,530,878	2,553,703	2,379,051
Amortization	-	413,852	417,289
Early Literacy	-	86,190	142,620
Kinderstart	-	36,584	32,704
Library Collection	1,556,954	1,241,262	1,443,284
Library Operations	6,836,575	6,787,868	6,574,555
Public Computer Access	356,420	234,614	264,471
	11,280,827	11,354,073	11,253,974
Annual operating (deficit) surplus	(329,522)	(58,939)	593,073
Accumulated operating surplus, beginning of year	1,744,671	1,744,671	1,151,598
Accumulated operating surplus, end of year	\$ 1,415,149	\$ 1,685,732	\$ 1,744,671

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

2017

2016

Accumulated remeasurement gains, beginning of year	\$ 46,816	\$ 42,000
Unrealized gains attributable to:		
Portfolio investments	11,410	4,816
Accumulated remeasurement gains, end of year	\$ 58,226	\$ 46,816

*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

	2017 Budget	2017 Actual	2016 Actual
(Note 14)			
Annual operating surplus (deficit)	\$ (329,522)	\$ (58,939)	\$ 593,073
Changes in other non-financial assets			
Use of prepaid expenses	-	199,480	171,235
Acquisition of prepaid expenses	-	(182,327)	(199,480)
Net (acquisition) use of inventories held for use	-	16,177	(1,751)
	-	33,330	(29,996)
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(232,306)	(406,233)
Loss(gain) on disposal of tangible capital assets	-	286	(6,163)
Proceeds from disposal of tangible capital assets	-	1,300	6,566
Amortization of tangible capital assets	-	413,852	417,289
	-	183,132	11,459
Effect of remeasurement gains for the year	-	11,410	4,816
(Increase) decrease in net debt	(329,522)	168,933	579,352
Net debt, beginning of year	(482,542)	(482,542)	(1,061,894)
Net debt, end of year	\$ (812,064)	\$ (313,609)	\$ (482,542)

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

2017

2016

Operating transactions

Annual operating surplus (deficit)	\$ (58,939)	\$ 593,073
Adjustment for non-cash items		
Amortization	413,852	417,289
Loss (gain) on disposal of tangible capital assets	286	(6,163)
	355,199	1,004,199
Change in non-cash operating items		
Accounts receivable	16,698	(3,739)
Due from the Province	296,165	(168,240)
Accounts payable and accrued liabilities	(5,464)	(149,211)
Employee future benefits	(36,450)	(25,542)
Deferred revenue	(379,482)	(203,785)
Inventories held for use	16,177	(1,751)
Prepaid expenses	17,153	(28,245)
Cash provided from operating transactions	279,996	423,686

Capital transactions

Acquisition of tangible capital assets	(232,306)	(406,233)
Proceeds from disposal of tangible capital assets	1,300	6,566
Cash applied to capital transactions	(231,006)	(399,667)

Financing transactions

Repayments of obligations under capital lease	(4,078)	(4,078)
Cash applied to financing transactions	(4,078)	(4,078)
Increase in cash	44,912	19,941
Cash, beginning of year	3,257,231	3,237,290
Cash, end of year	\$ 3,302,143	\$ 3,257,231

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

2017

2016

Eastern Division

Arnold's Cove	\$ 5,311	\$ 5,624
Bay Roberts	74,336	74,637
Bell Island	1,002	1,082
Bonavista	4,602	3,308
Brigus	6,767	7,339
Burin	550	620
Carbonear	40,244	40,368
Catalina	3,354	4,331
Clareville	14,692	14,583
Conception Bay South	10,674	11,563
Fortune	410	396
Fox Harbour	6,138	4,706
Garnish	454	456
Grand Bank	8,914	10,757
Harbour Grace	10,763	8,654
Holyrood	5,356	5,744
Marystown	441	465
Mount Pearl	12,224	12,363
Old Perlican	3,509	1,996
Placentia	24,049	25,509
Pouch Cove	2,013	2,227
St. Brides	7,655	9,417
St. Lawrence	428	452
Southern Harbour	2,506	943
Torbay	9,904	11,284
Trepassey	9,576	9,120
Victoria	843	712
Whitbourne	3,497	3,642
Winterton	530	573
	270,742	272,871

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

For the Year Ended March 31

2017

2016

Central Division

Baie Verte	6,529	4,888
Bishop's Falls	976	6,678
Botwood	8,216	6,523
Buchans	572	650
Carmanville	709	741
Centerville	1,016	1,593
Change Islands	450	458
Fogo	554	833
Gambo	9,039	6,877
Gander	38,650	42,844
Gaultois	2,483	2,347
Glenwood	1,369	1,372
Glovertown	523	605
Grand Falls-Windsor	2,780	4,167
Greenspond	3,779	4,306
Harbour Breton	729	644
Hare Bay	472	515
Harry's Harbour	4,033	5,155
Hermitage	563	804
King's Point	3,676	4,508
LaScie	3,579	3,888
Lewisporte	4,328	4,041
Lumsden	440	532
Musgrave Harbour	777	1,372
Norris Arm	2,682	1,173
Point Leamington	790	1,208
Robert's Arm	4,387	1,906
St. Albans	986	1,087
Seal Cove	764	680
Springdale	1,117	1,556
Summerford	1,882	1,814
Twillingate	825	829
Wesleyville	493	505
	110,168	117,099

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)

For the Year Ended March 31

2017

2016

Western Newfoundland - Labrador Division

Bay St. George South	2,061	1,877
Burgeo	590	642
Cape St. George	629	656
Cartwright	427	671
Churchill Falls	-	87
Codroy Valley	467	512
Cormack	1,582	1,756
Corner Brook	208,121	208,767
Cow Head	5,760	6,328
Daniel's Harbour	1,270	648
Deer Lake	15,674	14,705
Happy Valley	1,963	2,302
Labrador City	14,352	13,372
L'Anse au Loup	650	758
Lark Harbour	541	508
Lourdes	653	1,005
Norris Point	2,236	2,895
Pasadena	3,754	3,260
Port au Port	637	683
Port aux Basques	12,712	16,073
Port Saunders	7,665	5,073
Ramea	533	532
Rocky Harbour	837	470
St. Anthony	1,961	1,757
St. George's	1,198	1,086
Sops Arm	827	1,670
Stephenville	27,961	31,656
Stephenville Crossing	1,239	1,117
Wabush	1,882	1,783
Woody Point	3,978	3,844
	322,160	326,493
	\$ 703,070	\$ 716,463

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

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 are not reflected in these financial statements.

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

2. Summary of significant accounting policies

(a) Basis of accounting

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

(b) Financial instruments

The Board's financial instruments recognized in the statement of financial position consist of cash, accounts receivable, due from 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.

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.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

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

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

(c) Cash

Cash includes cash in bank.

(d) Tangible capital assets

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

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Board's rate for incremental borrowing or the interest rate implicit in the lease. Note 10 provides a schedule of repayments and amount of interest on the leases.

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

Buildings	40 years
Building improvements	10 years
Furniture and equipment	10 years
Motor vehicles	5 years
Computer equipment	3 years
Software	5 years
Assets under capital lease	10 years

2. Summary of significant accounting policies (cont.)

(d) Tangible capital assets (cont.)

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

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

(e) Inventories held for use

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

(f) Prepaid expenses

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

(g) Employee future benefits

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

- (i) Severance is accounted for on an accrual basis and is calculated based upon years of service and 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 Provident¹⁰ from which pensions will be paid to employees when they retire. This plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best 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.

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

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2. Summary of significant accounting policies (cont.)

(h) Revenues

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

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

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

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

(i) Expenses

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

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

(j) Measurement uncertainty

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

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

3. Accounting pronouncements

There are several new standards issued by the PSAB that are not yet effective and have not been applied in these financial statements. These standards and corresponding effective dates are as follows:

Effective April 1, 2017:

PS 2200 Related Party Disclosures – a new standard defining related parties and establishing disclosure requirements for related party transactions.

PS 3210 Assets – a new standard providing guidance for applying the definition of assets and establishing general disclosure requirements for assets but does not provide guidance for the recognition and disclosure of specific types of assets.

PS 3320 Contingent Assets – a new standard defining and establishing disclosure requirements for contingent assets but does not include disclosure standards for specific types of contingent assets.

PS 3380 Contractual Rights – a new standard defining and establishing disclosure requirements for contractual rights but does not include disclosure standards for specific types of contractual rights.

PS 3420 Inter-entity Transactions – a new standard on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

Effective April 1, 2018:

PS 3430 Restructuring Transactions – a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities.

The Provincial Information and Library Resources Board plans to adopt these standards by the effective dates and is currently analyzing the impact these standards will have on the financial statements.

4. Accounts receivable

	<u>2017</u>	<u>2016</u>
Federal Government		
Harmonized Sales Tax	\$ 32,158	\$ 29,804
Other	16,303	35,355
	<hr/> \$ 48,461	<hr/> \$ 65,159

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

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

5. 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Investments held directly				
Sun Life Financial Services				
of Canada - 1,678 shares	\$ 81,718	\$ 70,308	\$ 23,492	\$ 23,492

6. Accounts payable and accrued liabilities

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 99,610	\$ 87,932
Accrued salaries and benefits	568,947	586,089
	\$ 668,557	\$ 674,021

7. Employee future benefits

Employee future benefits consists of:

	<u>2017</u>	<u>2016</u>
Severance pay (a)	\$ 1,420,833	\$ 1,422,070
Accumulating non-vesting sick leave benefit liability (b)	679,620	714,833
	\$ 2,100,453	\$ 2,136,903

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

7. Employee future benefits (cont.)

(a) Severance pay

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

	<u>2017</u>	<u>2016</u>
Employees with 9 or more years of service	\$ 1,248,501	\$ 1,254,861
Employees with less than 9 years of service	172,332	167,209
	<u>\$ 1,420,833</u>	<u>\$ 1,422,070</u>

(b) Accumulating non-vesting sick leave benefit liability

	<u>2017</u>	<u>2016</u>
Accrued accumulating non-vesting sick leave benefit obligation, end of year	\$ 440,311	\$ 453,187
Unamortized actuarial gain, end of year	239,309	261,646
Accumulating non-vesting sick leave benefit liability, end of year	<u>\$ 679,620</u>	<u>\$ 714,833</u>

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

	<u>2017</u>	<u>2016</u>
Current year benefit cost	\$ 35,388	\$ 37,123
Interest on accrued benefit obligation	16,230	13,950
Amortization of actuarial gains	(22,337)	(19,917)
Accumulating non vesting sick leave benefit expense	<u>29,281</u>	<u>31,156</u>
Benefit payments	<u>(64,494)</u>	<u>(62,615)</u>
Change in accumulating non-vesting sick leave benefit liability	<u>\$ (35,213)</u>	<u>\$ (31,459)</u>

7. Employee future benefits (cont.)

(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, 2017, a sick leave liability was calculated for 191 employees.

The accrued benefit obligation for accumulating non-vesting sick leave benefits for the year ended March 31, 2017, is based on an actuarial extrapolation for accounting purposes to March 31, 2017 (valuation date as of March 31, 2015).

The actuarial extrapolation is based on assumptions about future events. The economic assumptions used in this extrapolation are the Board's best estimates of compensation increases of 3.75% per annum and discount rate of 3.7%. Other assumptions used in the extrapolation include estimates of expected termination rates, utilization rates and mortality rates.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

7. Employee future benefits (cont.)

(d) Employee future benefits (cont.)

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

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

Experience gains or losses are amortized over 12 years, which is the estimated average remaining service life of active employees. The amortization amount will be included as an expense in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

iii. Pension contributions

The Board and its employees contribute to the Public Service Pension Plan in accordance with the *Public Service Pensions Act, 1991* (the *Act*). The plan is administered by Provident¹⁰, 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% (2016 - 11.85%). The Board's contributions equal the employees' contributions to the plan. Total Public Service Pension Plan expense for the Board for the year ended March 31, 2017, was \$382,483 (2016 - \$364,895).

Employees who do not qualify to participate in the Public Service Pension Plan (for example, part-time employees) participate in the Government Money Purchase Pension Plan (GMPP). The GMPP is a defined contribution plan which was established under the *Government Money Purchase Pension Plan Act*. Employees are required to contribute 5% of regular earnings which is matched by the Board. Employees may make additional voluntary contributions, however, the maximum amount for all contributions may not exceed the lesser of 18% of an employee's earnings and the maximum amount allowed as specified under the *Income Tax Act*. Total GMPP expense for the Board for the year ended March 31, 2017, was \$118,073 (2016 - \$123,326).

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

8. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. As at March 31, 2017, the Board reported the following:

	Balance at beginning of year	Receipts during year	Transferred to revenue	Balance at end of year
Provincial source revenue	\$ 1,336,473	\$ 100,000	\$ 479,482	\$ 956,991
Other source revenue	222	-	-	222
	\$ 1,336,695	\$ 100,000	\$ 479,482	\$ 957,213

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.

9. Contractual obligations

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

2018	\$ 608,316
2019	549,655
2020	460,852
2021	454,134
2022	411,972
Thereafter	<u>1,894,333</u>
	\$ 4,379,262

10. 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>2017</u>	<u>2016</u>
Obligation under capital lease	\$ 19,708	\$ 23,786

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

10. Obligation under capital lease (cont.)

Payments under this obligation for the next 5 years are as follows:

2018	\$ 4,078
2019	4,078
2020	4,078
2021	4,078
2022	3,396
<u>Total minimum lease payments</u>	<u>\$ 19,708</u>

11. Tangible capital assets

Original Cost

	Balance March 31, 2016	Additions	Disposals	Balance March 31, 2017
Land	\$ 285,907	\$ -	\$ -	\$ 285,907
Buildings	1,758,867	-	-	1,758,867
Building improvements	2,069,357	87,555	-	2,156,912
Furniture and equipment	1,857,979	17,570	16,611	1,858,938
Motor vehicles	203,266	44,869	22,719	225,416
Computer equipment	1,320,844	82,312	25,109	1,378,047
Software	168,688	-	-	168,688
Assets under capital lease	40,777	-	-	40,777
	<u>\$ 7,705,685</u>	<u>\$ 232,306</u>	<u>\$ 64,439</u>	<u>\$ 7,873,552</u>

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

11. Tangible capital assets (cont.)

Accumulated Amortization

	Balance March 31, 2016	Amortization	Disposals	Balance March 31, 2017	Net book value March 31, 2017	Net book value March 31, 2016
Land	\$ -	\$ -	\$ -	\$ -	\$ 285,907	\$ 285,907
Buildings	1,353,554	34,074	-	1,387,628	371,239	405,313
Building improvements	1,325,781	197,603	-	1,523,384	633,528	743,576
Furniture and equipment	1,404,794	97,626	15,025	1,487,395	371,543	453,185
Motor vehicles	187,925	12,809	22,719	178,015	47,401	15,341
Computer equipment	1,251,876	67,662	25,109	1,294,429	83,618	68,968
Software	168,688	-	-	168,688	-	-
Assets under capital lease	20,390	4,078	-	24,468	16,309	20,387
	\$ 5,713,008	\$ 413,852	\$ 62,853	\$ 6,064,007	\$ 1,809,545	\$ 1,992,677

12. Trusts under administration

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

	<u>2017</u>	<u>2016</u>
Local libraries - deposits	\$ 116,723	\$ 109,167
Provincial Territorial Public Library Council	73,003	75,000
	\$ 189,726	\$ 184,167

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, 2017 consists of cash of \$27,809 (2016 - \$23,863), and 4,566 shares (2016 - 4,451 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 \$88,914 (2016 - \$85,304), 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, 2017 was \$126,178 (2016 - \$109,249).

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

12. Trusts under administration (cont.)

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

13. Related party transactions

Province of Newfoundland and Labrador

- (a) The Board receives grant funding from the Province of Newfoundland and Labrador. During the year, the Board received grants totaling \$10,722,400 (2016 - \$11,186,500). The Board recognized \$11,101,882 (2016 - \$11,680,350) in revenue from the Province of Newfoundland and Labrador.
- (b) As at March 31 2017, the Board was owed \$nil (2016 - \$296,165) from the Province of Newfoundland and Labrador.

14. Budget

The Board's budget is prepared on a cash basis. The 2017 budget expenses exceeded the Board's budgeted revenues and the expected difference would be funded from cash surpluses carried forward from prior years.

15. Donated acquisitions

Donated acquisitions are gifts of artwork, books, periodicals, DVDs and other library resources that the Board has received, and for which a tax receipt has been issued to the donor based on established rates per policy or an appraised value. Donated acquisitions are not reflected in the Board's financial statements. During the year, the Board issued receipts for non-cash donations of \$157,197 (2016 - \$207,690).

16. Financial risk management

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

16. 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 9 and 10 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, 2017. 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, 2017

17. Expenses by Object

	<u>2017</u> <u>Budget</u> (Note 14)	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Amortization	\$ -	\$ 413,852	\$ 417,289
Books and Periodicals	900,000	907,408	877,369
Computerization of Libraries	435,000	255,461	271,383
Conference and Workshops	41,406	4,012	4,125
Early Literacy Program	-	86,188	142,620
Freight and Postage	58,750	35,186	37,025
Library Operations (Grants)	686,486	703,070	716,463
Insurance	75,665	67,564	75,124
Kinderstart Literacy Program	-	36,584	32,704
Loss on Disposal of Capital Assets	-	286	-
Miscellaneous	-	1,158	1,375
Office and Library Supplies	116,934	129,638	98,431
Professional Fees	7,833	46,774	13,159
Rental of Premises	360,669	356,591	356,590
Repairs and Maintenance	22,000	9,472	21,820
Salaries and Benefits	8,427,709	8,146,168	8,027,290
Telephone	60,600	52,870	56,120
Travel	87,775	101,791	105,087
	\$ 11,280,827	\$ 11,354,073	\$ 11,253,974

18. Non-financial assets

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

Appendix 4
Newfoundland and Labrador
Public Libraries
Staff Organizational Chart

Newfoundland and Labrador Public Libraries

Staff Organizational Chart

