PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

FINANCIAL STATEMENTS

MARCH 31, 2025

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. Andrew Hunt, BBA, CPA, CGA
Executive Director

OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of the Provincial Information and Library Resources Board, which comprise the statement of financial position as at March 31, 2025, and the statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Provincial Information and Library Resources Board as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Provincial Information and Library Resources Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Provincial Information and Library Resources Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Provincial Information and Library Resources Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (cont.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Provincial Information and Library Resources Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Provincial Information and Library Resources Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Provincial Information and Library Resources Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

SANDRA RUSSELL, CPA
Deputy Auditor General

September 17, 2025
St. John's, Newfoundland and Labrador

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

	2025	2024
FINANCIAL ASSETS		
Cash	**$ 2,525,909**	$ 3,283,379
Accounts receivable (Note 3)	**74,062**	153,969
Due from Province	**-**	81,038
Portfolio investments (Note 4)	**138,200**	124,021
	2,738,171	3,642,407
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	**785,615**	830,537
Employee future benefits (Note 6)	**554,712**	576,428
Deferred revenue (Note 7)	**855,464**	1,400,813
Asset retirement obligations (Note 10)	**193,250**	193,250
	2,389,041	3,001,028
Net financial assets	**349,130**	641,379
NON-FINANCIAL ASSETS		
Inventories held for use	**61,069**	53,920
Prepaid expenses	**138,943**	128,537
Tangible capital assets (Note 11)	**1,877,499**	1,620,286
	2,077,511	1,802,743
Accumulated surplus	**$ 2,426,641**	$ 2,444,122
Accumulated surplus is comprised of:		
Accumulated operating surplus	**$ 2,311,933**	$ 2,343,593
Accumulated remeasurement gains	**114,708**	100,529
	$ 2,426,641	$ 2,444,122

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: Hilary Wiebe Morrow (signature) — **Chairperson**   Lisa M (signature) — **Member**

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

	2025 Budget	2025 Actual	2024 Actual
	Unaudited (Note 14)		
REVENUE			
Province of Newfoundland and Labrador			
Operating grant	$ 12,543,032	$ 12,744,222	$12,748,283
Capital grant	300,000	300,000	120,000
Early Literacy Digital	-	91,213	-
Early literacy program	-	330,681	263,365
Adult literacy project	-	65,250	134,224
French language services specialist	-	87,768	54,284
Kinderstart	-	23,939	-
Deer Lake Ramp, Accessibility to Patrons (Federal)	-	82,000	-
Digital literacy exchange program (Federal Gov't)	-	95,304	149,381
Canada and NL summer jobs	-	13,993	26,925
Interest	130,000	149,494	203,714
Miscellaneous	101,193	137,687	126,670
AC Hunter – local board contribution	3,743	3,743	24,950
Privately funded projects (Note 8)	-	20,589	19,978
Fines and lost library materials	5,000	5,800	5,640
Dividend revenue	-	5,537	5,135
St. John's outreach – mobile van	-	7,765	2,377
Gain on disposal of tangible capital assets	-	12,013	2,000
	13,082,968	14,176,998	13,886,926
EXPENSES (Note 17)			
Administration	2,746,309	2,665,000	2,675,011
Adult literacy project	-	65,250	134,224
Amortization	-	312,240	356,661
Digital literacy exchange program (Federal Gov't)	-	95,253	110,307
Early literacy program/Early Literacy Digital	-	421,895	243,243
French language services specialist	-	87,784	54,284
Kinderstart	-	23,939	-
Library collection	2,387,971	2,119,211	1,829,088
Library operations	7,561,551	8,102,468	8,152,400
Privately funded projects (Note 8)	-	20,589	19,978
Public computer access	355,742	286,779	298,381
St. John's outreach – mobile van	-	8,250	2,377
	13,051,573	14,208,658	13,875,954
Annual operating surplus (deficit)	31,395	(31,660)	10,972
Accumulated operating surplus, beginning of year	2,343,593	2,343,593	2,332,621
Accumulated operating surplus, end of year	$ 2,374,988	$ 2,311,933	$ 2,343,593

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

	2025	2024
Accumulated remeasurement gains, beginning of year	**$ 100,529**	$ 82,457
Unrealized gains (losses) attributable to:		
Portfolio investments	**14,179**	18,072
Accumulated remeasurement gains, end of year (Note 4)	**$ 114,708**	$ 100,529

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

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2025 Budget Unaudited (Note 14)	2025 Actual	2024 Actual
Annual operating surplus (deficit)	$ 31,395	$ (31,660)	$ 10,972
Changes in other non-financial assets			
Use of prepaid expenses	-	128,537	151,140
Acquisition of prepaid expenses	-	(138,943)	(128,537)
Net use of inventories held for use	-	(7,149)	(1,467)
	-	(17,555)	21,136
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(569,453)	(482,996)
Amortization of tangible capital assets	-	312,240	356,661
	-	(257,213)	(126,335)
Effect of remeasurement gains for the year	-	14,179	18,072
Increase (decrease) in net financial assets	31,395	(292,249)	(76,155)
Net financial assets, beginning of year	641,379	641,379	717,534
Net financial assets, end of year	$ 672,774	$ 349,130	$ 641,379

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

	2025	2024
Operating transactions		
Annual operating surplus (deficit)	$ (31,660)	$ 10,972
Adjustment for non-cash items		
Amortization	312,240	356,661
Gain on disposal of tangible capital assets	(12,013)	(2,000)
	268,567	365,633
Change in non-cash operating items		
Accounts receivable	79,907	(92,190)
Due from Province	81,038	76,962
Accounts payable and accrued liabilities	(44,922)	139,570
Employee future benefits	(21,716)	(12,773)
Deferred revenue	(545,349)	1,018,949
Inventories held for use	(7,149)	(1,467)
Prepaid expenses	(10,406)	22,603
Cash provided from (applied to) operating transactions	(200,030)	1,517,287
Capital transactions		
Acquisition of tangible capital assets	(569,453)	(482,996)
Proceeds from disposal of tangible capital assets	12,013	2,000
Cash applied to capital transactions	(557,440)	(480,996)
Increase (decrease) in cash	(757,470)	1,036,291
Cash, beginning of year	3,283,379	2,247,088
Cash, end of year	$ 2,525,909	$ 3,283,379

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

Eastern Division

	2025	2024
Arnold's Cove	**$ 6,861**	$ 9,583
Bay Roberts	**75,727**	76,338
Bell Island	**1,176**	1,195
Bonavista	**9,474**	6,135
Brigus	**8,992**	8,717
Burin	**1,444**	1,266
Carbonear	**41,837**	42,512
Catalina	**5,071**	5,143
Clarenville	**20,547**	20,230
Conception Bay South	**277,574**	282,877
Fortune	**910**	952
Fox Harbour	**8,952**	5,452
Garnish	**837**	942
Grand Bank	**9,830**	15,536
Harbour Grace	**12,053**	13,912
Holyrood	**7,896**	6,992
Marystown	**860**	857
Mount Pearl	**30,494**	18,818
Old Perlican	**798**	2,229
Placentia	**26,981**	26,787
Pouch Cove	**1,615**	1,825
St. Brides	**7,974**	8,004
St. Lawrence	**955**	1,595
Torbay	**30,003**	29,661
Trepassey	**14,079**	11,300
Victoria	**1,027**	1,006
Whitbourne	**5,168**	4,334
Winterton	**768**	794
	609,903	604,992

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

	2025	2024
Central Division		
Baie Verte	**6,526**	7,195
Bishop's Falls	**1,480**	1,619
Botwood	**14,905**	16,514
Buchans	**1,084**	1,180
Carmanville	**1,578**	1,136
Centerville	**1,165**	2,226
Change Islands	**938**	690
Fogo	**1,016**	1,638
Gambo	**11,544**	10,108
Gander	**51,054**	49,348
Gaultois	**3,027**	3,683
Glenwood	**1,398**	1,730
Glovertown	**2,362**	2,976
Grand Falls-Windsor	**6,822**	5,344
Greenspond	**3,505**	6,104
Harbour Breton	**721**	1,300
Hare Bay	**1,104**	1,289
Harry's Harbour	**5,341**	5,396
Hermitage	**977**	1,040
King's Point	**3,289**	4,448
Lewisporte	**13,148**	10,245
Lumsden	**1,899**	1,171
Musgrave Harbour	**1,704**	1,198
Norris Arm	**2,179**	2,742
Point Leamington	**2,602**	1,548
Robert's Arm	**4,784**	4,998
St. Albans	**1,670**	1,655
Seal Cove	**1,174**	2,298
Springdale	**1,792**	1,141
Summerford	**2,835**	3,596
Twillingate	**1,850**	1,437
Wesleyville	**1,201**	1,216
	156,674	158,209

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

	2025	2024
Western Newfoundland - Labrador Division		
Bay St. George South	**1,070**	941
Burgeo	**1,006**	1,076
Cape St. George	**926**	876
Cartwright	**542**	747
Codroy Valley	**583**	654
Cormack	**2,479**	2,258
Corner Brook	**210,308**	208,156
Cow Head	**13,581**	8,832
Daniel's Harbour	**1,512**	1,392
Deer Lake	**22,011**	21,992
Happy Valley	**2,664**	1,091
Labrador City	**46,830**	37,711
L'Anse au Loup	**1,704**	1,293
Lark Harbour	**858**	752
Lourdes	**1,606**	868
Norris Point	**5,353**	3,311
Pasadena	**6,693**	4,140
Port au Port	**1,744**	1,846
Port aux Basques	**25,205**	22,443
Port Saunders	**6,393**	10,915
Ramea	**782**	2,199
Rocky Harbour	**725**	485
St. Anthony	**7,945**	2,884
St. George's	**1,812**	1,045
Sops Arm	**1,336**	1,085
Stephenville	**59,148**	53,879
Stephenville Crossing	**2,967**	1,741
Wabush	**3,132**	2,768
Woody Point	**5,672**	5,442
	436,587	402,822
	$1,203,164	$1,166,023

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 consists of cash, accounts receivable, due from Province, portfolio investments and accounts payable and accrued liabilities. The Board generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Board subsequently measures all of its financial assets and financial liabilities at cost except for portfolio investments in equity instruments that are quoted in an active market, which are measured at fair value. Financial assets measured at cost include cash, accounts receivable and due from Province. Financial liabilities measured at cost include accounts payable and accrued liabilities.

The carrying values of cash, accounts receivable, due from Province and accounts payable and accrued liabilities approximate current fair value due to their nature and the short-term maturity associated with these instruments.

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

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

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

(c) Cash

Cash includes cash in bank.

(d) Tangible capital assets

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

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

Buildings	40 years
Building improvements	10 years
Furniture and equipment	10 years
Motor vehicles	5 years
Computer equipment	3 years
Software	5 years

2. Summary of significant accounting policies (cont.)

(d) Tangible capital assets (cont.)

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

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

(e) Inventories held for use

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

(f) Prepaid expenses

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

(g) Employee future benefits

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

(i) Severance is accounted for on an accrual basis and is calculated based upon years of service and salary levels at the cessation of the plans.

(ii) The cost of accumulating non-vesting sick leave benefits is actuarially determined using management's best estimates of long-term inflation rates, compensation increases, discount rate and remaining service life.

Under the Public Libraries Act, certain employees of the Board are subject to the Public Service Pensions Act, 2019. Employee contributions are matched by the Board and remitted to Provident[10] from which pensions will be paid to employees when they retire. This plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best 6 years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 5 years of earnings up to January 1, 2015, or the average of the best 6 years of earnings for all service.

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

2. Summary of significant accounting policies (cont.)

(h) Revenues

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

Exchange transactions are transactions where goods or services are provided to a payor for consideration. These transactions include performance obligations for the Board arising directly from a payment or promise of consideration by a payor. These transactions are not necessarily exchanges of fair or equal value.

The Board's privately funded projects' revenues and local board contribution revenues are exchange transactions, with performance obligations.

Interest revenue is bank interest and recognized when earned.

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

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

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

(i) Expenses

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

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

2. Summary of significant accounting policies (cont.)

(j) Measurement uncertainty

The preparation of financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the estimated cost of asset retirement obligations, the expected future life of tangible capital assets and the probability of future sick leave benefits utilized by employees.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(k) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets, such as asbestos removal in retired buildings. The asset retirement obligation is initially measured using the best estimate of the amount required to retire a tangible capital asset at the financial statement date.

The Board reconsiders the carrying amount of the liability for an asset retirement obligation at each financial reporting date as new information becomes available regarding the estimated cost to settle the liability.

Due to the uncertainty of building retirement dates and the large range of retirement for other assets, the Board has not discounted the costs associated with asset retirement obligations and cannot reliably estimate the timing of expenditures.

3. Accounts receivable

	2025	2024
Federal Government		
Harmonized Sales Tax	**$ 40,538**	$ 43,261
Digital Literacy Exchange Program	**6,661**	64,539
Other	**26,863**	46,169
	$ 74,062	$ 153,969

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

4. Portfolio investments

Portfolio investments consist of 1,678 shares of Sun Life Financial Inc. which were given to the Board as a result of the demutualization of Sun Life Assurance Company of Canada. The carrying value of the shares is equal to their market price at the time of transfer to the Board.

	Market Value		Carrying Value	
	2025	2024	**2025**	2024
Investments held directly Sun Life Financial Inc - 1,678 shares	**$ 138,200**	$ 124,021	**$ 23,492**	$ 23,492

5. Accounts payable and accrued liabilities

	2025	2024
Accounts payable	**$ 83,140**	$ 170,353
Accrued salaries and benefits	**702,475**	660,184
	$ 785,615	$ 830,537

6. Employee future benefits

Employee future benefits consists of:

	2025	2024
Severance pay	**$ 43,909**	$ 43,909
Accumulating non-vesting sick leave benefit liability (a)	**510,803**	532,519
	$ 554,712	$ 576,428

(a) Accumulating non-vesting sick leave benefit liability

	2025	2024
Accrued accumulating non-vesting sick leave benefit obligation, end of year	**$ 370,624**	$ 431,387
Unamortized actuarial gain, end of year	**140,179**	101,132
Accumulating non-vesting sick leave benefit liability, end of year	**$ 510,803**	$ 532,519

6. Employee future benefits (cont.)

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

		2025		2024
Current year benefit cost	$	**45,839**	$	48,346
Interest on accrued benefit obligation		**16,521**		18,875
Amortization of actuarial gains		**(32,479)**		(23,729)
Accumulating non vesting sick leave benefit expense		**29,881**		43,492
Benefit payments		**(51,597)**		(56,265)
Change in accumulating non-vesting sick leave benefit liability	**$**	**(21,716)**	$	(12,773)

(c) Employee future benefits

(i) Severance pay

Employees of the Board as at March 31, 2018, as represented by the Canadian Union of Public Employees (CUPE), were entitled to severance pay. No further severance will accrue for these employees after March 31, 2018.

Executives, managers, and non-management/non-union employees of the Board were entitled to severance pay. No further severance will accrue for these employees after May 31, 2018.

CUPE employees who had at least one year of eligible service as at March 31, 2018 and executives, managers, and non-management/non-union employees who had at least one year of eligible service as at May 31, 2018 had the option of receiving their severance entitlement during the fiscal year ended March 31, 2019, or deferring it to a later date.

The severance liability as at March 31, 2025 represents severance owing to employees who deferred receiving their severance entitlement.

6. Employee future benefits (cont.)

(c) Employee future benefits (cont.)

(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, 2025, a sick leave liability was calculated for 183 employees.

The accrued benefit obligation for accumulating non-vesting sick leave benefits for the year ended March 31, 2025, is based on an actuarial extrapolation for accounting purposes to March 31, 2025 (valuation date as of March 31, 2024).

The actuarial extrapolation is based on assumptions about future events. The economic assumptions used in this extrapolation are the Board's best estimates of compensation increases of 3.50% per annum and discount rate of 4.48%. Other assumptions used in the extrapolation include estimates of expected termination rates, utilization rates and mortality rates.

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

Experience gains or losses are amortized over 14 years, which is the estimated average remaining service life of active employees. The amortization amount will be included as an expense in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

(iii) Pension contributions

The Board and its employees contribute to the Public Service Pension Plan in accordance with the Public Service Pensions Act, 2019 (the Act). The plan is administered by Provident[10], including payment of pension benefits to employees to whom the Act applies.

6. Employee future benefits (cont.)

(c) Employee future benefits (cont.)

(iii) Pension contributions (cont.)

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% (2024 - 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, 2025, was $486,941 (2024 - $484,162).

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, 2025, was $113,658 (2024 - $108,506).

7. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. As at March 31, 2025, the Board reported the following:

	Balance at beginning of year	Receipts during year	Transferred to revenue	Balance at end of year
Provincial source revenue	$ 1,239,900	$ 57,750	$ 598,852	**$ 698,798**
Other source revenue	160,913	125,444	129,691	**156,666**
	$ 1,400,813	$ 183,194	$ 728,543	**$ 855,464**

Deferred revenue relates to grants received for specific programs such as literacy initiatives, musical instrument lending and library materials which have not yet been spent for these purposes by the Board. These amounts will be recognized as revenue when the specific program expenses are incurred.

8. Privately funded projects

The Board delivered various privately funded projects as follows:

Revenue	2025	2024
Sun Life Musical Instruments Lending Program	**$ 4,168**	$ 6,048
TD Indigenous Story Teller	**14,837**	13,157
TD Summer Reading Program	**11**	257
United Way	**1,573**	516
	$ 20,589	$19,978

Expenses	2025	2024
Sun Life Musical Instruments Lending Program	**$ 4,168**	$ 6,048
TD Indigenous Story Teller	**14,837**	13,157
TD Summer Reading Program	**11**	257
United Way	**1,573**	516
	$ 20,589	$19,978

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:

2026	$ 728,000
2027	680,531
2028	451,530
2029	446,011
2030	434,906
Thereafter	4,368,099
	$ 7,109,077

10. Asset retirement obligations

Asset retirement obligations are comprised of the following:

	2025	2024
Buildings	**$193,250**	$193,250
	$193,250	$193,250

The Board has recorded asset retirement obligations related to 19 local library board buildings owned by the Board.

11. Tangible capital assets

Original cost

	Balance March 31, 2024	Additions	Disposals	Balance March 31, 2025
Land	$ 285,907	$ -	$ -	$ 285,907
Buildings	1,758,867	-	-	1,758,867
Building improvements	3,005,967	420,372	-	3,426,339
Asset retirement obligations	193,250	-	-	193,250
Furniture and equipment	2,212,075	22,345	21,088	2,213,332
Motor vehicles	289,052	73,833	41,248	321,637
Computer equipment	1,133,600	52,903	13,611	1,172,892
Software	168,688	-	-	168,688
	$ 9,047,406	$ 569,453	$ 75,947	$ 9,540,912

Accumulated amortization

	Balance March 31, 2024	Amortization	Disposals	Balance March 31, 2025	Net book value March 31, 2025	Net book value March 31, 2024
Land	$ -	$ -	$ -	$ -	$ 285,907	$ 285,907
Buildings	1,595,853	24,787	-	1,620,640	138,227	163,014
Building improvements	2,368,467	120,779	-	2,489,246	937,093	637,500
Asset retirement obligations	184,259	937	-	185,196	8,054	8,991
Furniture and equipment	1,877,843	50,398	21,088	1,907,153	306,179	334,232
Motor vehicles	222,651	35,676	41,248	217,079	104,558	66,401
Computer equipment	1,009,359	79,663	13,611	1,075,411	97,481	124,241
Software	168,688	-	-	168,688	-	-
	$7,427,120	$ 312,240	$ 75,947	$7,663,413	$1,877,499	$1,620,286

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:

	2025	2024
Local libraries - deposits	**$ 299,083**	$ 300,913
Provincial/Territorial Public Library Council	**54,851**	44,646
	$ 353,934	$ 345,559

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, 2025 consists of cash of $175,852 (2024 - $185,086), and 10,042 shares (2024 – 9,651 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 $123,231 (2024 - $115,827), 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, 2025 was $227,959 (2024 - $203,679).

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

13. Related party transactions

Province of Newfoundland and Labrador

The Board receives grant funding from the Province of Newfoundland and Labrador. During the year, the Board received or was owed grants totaling $13,101,971 (2024 - $14,323,905). The Board recognized $13,643,073 (2024 - $13,320,156) in revenue from the Province of Newfoundland and Labrador. These transactions are in the normal course of business measured at the exchange amount.

14. Budget

The Board's budget is prepared on a cash basis and approved by the Board of Directors. The 2025 budget expenses exceeded the Board's budgeted revenues and the expected difference would be funded from cash surpluses carried forward from prior years. Budgeted figures included in the financial statements are not audited.

15. Donated acquisitions

Donated acquisitions include gifts of artwork, books, periodicals, DVDs and other library resources that the Board has received. Donated acquisitions are not reflected in the Board's financial statements.

During the year, the Board issued receipts for non-cash donations of $7,564 (2024 - $10,854). Tax receipts are issued to the donor based on established rates per policy or an appraised value.

16. Financial risk management

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Board's main credit risk relates to cash, accounts receivable and due from Province. The Board's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Board is not exposed to significant credit risk with its cash because this financial instrument is held with a chartered bank. The Board is not exposed to significant credit risk related to its accounts receivable and due from Province as it has policies and procedures for the monitoring and collection of its accounts receivable and due from Province so as to mitigate potential credit losses. Any estimated impairment of these accounts receivable and due from Province have been provided for through a provision for doubtful accounts. At the present time there is no provision for doubtful accounts as all amounts are considered collectible.

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its contractual obligations and financial liabilities. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its contractual obligations and financial liabilities. The Board's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, and contractual obligations. The future minimum payments required from the Board in relation to its contractual obligations are outlined in Note 9.

16. Financial risk management (cont.)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Board is not exposed to significant foreign exchange risk. In addition, the Board is not exposed to significant interest rate risk related to cash because of its nature.

The Board is exposed to other price risk on its portfolio investments (equity investments) as the investments are quoted in an active market in which share pricing can fluctuate. The Board's maximum other price risk is limited to the fair value of the shares as at March 31, 2025. As the Board's investment consists of 1,678 shares, any price fluctuation of $1 to the quoted market price will result in an unrecognized gain or loss of $1,678 for the Board.

17. Expenses by object

	2025 Budget Unaudited (Note 14)	2025 Actual	2024 Actual
Amortization	$ -	$ 312,240	$ 356,661
Books and Periodicals	1,118,802	1,337,448	1,019,140
Computerization of Libraries	395,075	535,977	440,639
Conference and Workshops	30,000	19,790	15,587
Freight and Postage	59,400	47,832	48,242
Library Operations (Grants)	1,139,606	1,203,164	1,166,023
Insurance	96,102	98,509	94,474
Miscellaneous	-	919	156
Office and Library Supplies	116,871	143,539	149,236
Professional Fees	35,000	71,377	41,469
Rental of Premises	365,590	365,590	365,590
Repairs and Maintenance	22,000	55,420	60,230
Salaries and Benefits	9,529,177	9,837,157	9,957,849
Telephone	47,100	49,575	51,721
Travel	96,850	130,121	108,937
	$13,051,573	$14,208,658	$13,875,954

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.