



**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO
ON THE FINANCIAL STATEMENTS OF THE NATIONAL LIBRARY AND INFORMATION
SYSTEM AUTHORITY FOR THE YEAR ENDED SEPTEMBER 30, 2017**

QUALIFIED OPINION

The Financial Statements of the National Library and Information System Authority (the Authority) for the year ended September 30, 2017 have been audited. The Statements as set out on pages 1 to 16 comprise a Statement of Financial Position as at September 30, 2017, a Statement of Comprehensive Income, a Statement of Cash Flows, a Statement of Accumulated Fund and Reserves and Notes to the Financial Statements numbered 1 to 14, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of this report, the accompanying financial statements present fairly, the financial position of the Authority for the year ended September 30, 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR QUALIFIED OPINION

PROPERTY, PLANT AND EQUIPMENT - \$36,803,223

NON-COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARD 16 (IAS 16) *PROPERTY, PLANT AND EQUIPMENT*

3. Various classes of non-current assets vested in the Authority were recorded at written down values and in some cases, at nominal values of \$1.00. Note 2 of the Financial Statements refers. There was no evidence that these assets were revalued and disclosed at fair value as required by IAS 16. The potential effects of a revaluation on the Financial Statements could not be determined.

SUBVENTIONS - \$136,646,236

NON-COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARD 20 (IAS 20) *ACCOUNTING FOR GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE*

4.1 Government Grants of \$7,545,736, relating to capital expenditure, were combined with Subventions of \$129,100,500 and the total of \$136,646,236 was presented in the Statement of Comprehensive Income as Subventions.

4.2 This treatment is inconsistent with (IAS 20) which requires grants relating to fixed assets, including non-monetary grants at fair value be presented in the statement of financial position as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

5. The Authority has stated it has not adopted IAS 20 and relied on Section 24 (2) of the Act to support this treatment of Government Grants. Note 2 to the Financial Statement refers. Section 24 (2) of the Act relates to defraying expenditure and does not specify the treatment of capital expenditure nor does it provide a basis for the preparation of the financial statements.

NON-COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARD- (IAS 1) - PRESENTATION OF FINANCIAL STATEMENTS

6. The Authority did not comply with the disclosure requirements of IAS 1 *Presentation of Financial Statements* for entities departing from a requirement of an International Financial Reporting Standard in its decision not to adopt IAS 20.

7. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs). The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the Authority in accordance with the ethical requirements that are relevant to the audit of the financial statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above qualified opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit and to report thereon in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and Section 29 (3) of the National Library and Information System Authority Act, Chapter 40:01 (the Act).

12. The Auditor General's 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 audit report that includes her opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the principles and concepts of ISSAIs 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.

13. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an 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.
- Obtains 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 Authority's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes 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 Authority's ability to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in her audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify her opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluates 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.

14. The Auditor General communicates 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 were identified during the audit.

SUBMISSION OF REPORT

15. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.



**10TH AUGUST 2023
PORT OF SPAIN**

Jaiwantie Ramdass
**JAIWANTIE RAMDASS
AUDITOR GENERAL (Ag.)**

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

SEPTEMBER 30, 2017

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2017

	Notes	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
ASSETS			
Non-current Assets			
Property, plant and equipment	3	36,803,223	41,474,052
Motor vehicle loans due after one year	5	12,586	38,701
		<u>36,815,809</u>	<u>41,512,753</u>
Current Assets			
Cash in hand and at bank	4	27,998,821	39,195,181
Accounts receivable and prepayments	5	6,809,212	8,032,409
Inventory		94,750	166,239
		<u>34,902,783</u>	<u>47,393,829</u>
Total Assets		<u><u>71,718,592</u></u>	<u><u>88,906,582</u></u>
ACCUMULATED FUND AND LIABILITIES			
Accumulated Funds and Liabilities			
Accumulated fund	6	16,901,778	16,901,778
Reserve funds	7	(25,411,743)	(6,670,563)
		<u>(8,509,965)</u>	<u>10,231,215</u>
Non-current Liabilities			
Pensions	8	75,263,000	74,327,000
Current Liabilities			
Refundable deposits	9	19,317	19,317
Payables and accruals	10	4,946,240	4,329,050
		<u>4,965,557</u>	<u>4,348,367</u>
Total Accumulated Funds and Liabilities		<u><u>71,718,592</u></u>	<u><u>88,906,582</u></u>



The notes on pages 5 to 16 form an integral part of these financial statements.

EXECUTIVE DIRECTOR
National Library and
Information System Authority

DEPUTY EXECUTIVE DIRECTOR
NALIS

: Director

: Director

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Notes	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Income			
Subventions		136,646,236	158,589,955
Other income	11	583,986	652,898
		<u>137,230,222</u>	<u>159,242,853</u>
Expenditure			
Personnel Emoluments	12	94,266,684	98,551,755
Pension Expense	13	19,869,928	22,327,609
Other Expenses			
Accounting fees		150,000	150,000
Bank charges		17,451	20,173
Books and periodicals		935,891	1,609,012
Contract consulting fees		11,479,196	11,513,895
Development programme		3,056,662	6,789,741
Depreciation		6,165,765	7,233,986
Electricity		3,300,887	3,332,194
Hosting of conferences and seminars		62,405	137,177
Insurances		2,057,078	2,444,254
Materials and supplies		96,384	306,907
Office stationery and supplies		364,211	1,243,297
Other minor equipment		3,079	7,186
Rates and taxes		106,275	243,143
Promotion, publicity and printing		189,823	289,519
Remuneration to the Board of Directors		534,102	374,779
Rental of premises		3,514,078	4,210,021
Repairs and maintenance		7,373,199	7,419,439
Telephones and communications		1,810,178	2,458,988
Training		180,062	175,536
Travelling		1,136,105	1,206,412
Uniforms		19,371	27,082
Bad Debt Expense		13,170	0
		<u>156,701,984</u>	<u>172,072,106</u>
Surplus/(Deficit) for the year		<u>(19,471,762)</u>	<u>(12,829,253)</u>
Other Comprehensive Income:			
<i>Items that will never be transferred to Profit or Loss in the future:</i>			
Re-measurements of Pension and Other Post Retirement Liabilities		710,000	27,136,000
Other Comprehensive Income/(Loss) for the year		<u>710,000</u>	<u>27,136,000</u>
Total Comprehensive Income/(Loss) for the year		<u>(18,761,762)</u>	<u>14,306,747</u>

The notes on pages 5 to 16 form an integral part of these financial statements.

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Cash Flows From Operating Activities		
Surplus/(Deficit) for the year	(19,471,762)	(12,829,253)
Adjustments for:		
Depreciation	6,165,765	7,233,986
Adjustments to the reserve fund	730,582	27,339,502
Operating profits before working capital changes	(12,575,415)	21,744,236
Changes in Working Capital		
(Increase)/Decrease in inventories	71,490	862,126
(Increase)/Decrease in receivables and prepayments	1,223,196	388,403
Increase/(Decrease) in payables and accruals and refundable deposits	617,190	(2,241,292)
Decrease in Pension provision	936,000	(24,437,000)
Net cash provided by operating activities	(9,727,538)	(3,683,527)
Investing Activities		
Motor vehicle loans	26,115	21,689
Purchases of non current assets	(1,494,936)	(5,517,744)
Cash used in investing activities	(1,468,821)	(5,496,055)
(Decrease)/Increase in Cash and Cash Equivalents	(11,196,360)	(9,179,583)
At the beginning of the year	39,195,181	48,374,764
At end of the year	27,998,821	39,195,181
Represented By:		
Cash on hand	7,050	3,050
Cash at bank	27,991,771	39,192,131
	27,998,821	39,195,181

The notes on pages 5 to 16 form an integral part of these financial statements.

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
STATEMENT OF ACCUMULATED FUND AND RESERVES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Reserve Funds	Accumulated Funds	Total
	\$	\$	\$
Balance at October 1, 2016	(6,670,563)	16,901,778	10,231,215
Surplus/(Deficit) for the year	(19,471,762)	0	(19,471,762)
Other Adjustments	730,582	0	730,582
Balance at September 30, 2017	<u>(25,411,743)</u>	<u>16,901,778</u>	<u>(8,509,965)</u>
Balance at October 1, 2015	(21,180,812)	16,901,778	(4,279,034)
Surplus/(Deficit) for the year	(12,829,253)	0	(12,829,253)
Other Adjustments	27,339,502	0	27,339,502
Balance at September 30, 2016	<u>(6,670,564)</u>	<u>16,901,778</u>	<u>10,231,214</u>

The notes on pages 5 to 16 form an integral part of these financial statements.

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

1. Incorporation and Principal Activity

The National Library and Information System Authority (NALIS) was established by Act No. 18 of 1998, with effect from September 10, 1998. It comprises 22 locations situated across Trinidad and Tobago. The principal activity of the Authority is to provide a national library and information service, easily accessible to members of the public in order to facilitate cultural, economic, educational, political and social development.

2. Significant Accounting Policies

Accounting Conventions

These financial statements have been prepared under the historic cost convention modified to take account of the valuation of certain land and buildings. NALIS' accounting policies conform to International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Trinidad and Tobago except for IAS 20. The financial statements have also been prepared based on the NALIS Act.

Revenue

Revenues consist principally of amounts appropriated by Parliament, or provided by foreign states, international organizations, multi-lateral lending agencies and/or corporations, foundations, private individuals and various fees charged by NALIS.

Fixed Assets and Depreciation

By Section 35(1) of Act No. 18 of 1998 the assets of the Central Library of Trinidad and Tobago, Public Library and Carnegie Free Library were vested in NALIS. Assets taken over from the Public Library and Carnegie Free Library have been brought into the books at their written down values. The assets taken over from the Central Library of Trinidad and Tobago are recorded on the books with a value of six dollars (\$6.00) as follows:

Lands	\$1.00
Buildings	\$1.00
Office Furniture	\$1.00
Motor vehicle	\$1.00
Machines/Computers	\$1.00
Book Stock	\$1.00

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

2. Significant Accounting Policies (cont'd)

Property, Plant and Equipment (cont'd)

The Valuation Division of the Ministry of Finance has been requested to value all of the above. As at May 2010 valuation reports had been received for five of the properties. The valuations are not included in the financial statements.

All other assets are stated at cost less accumulated depreciation.

The values stated for land and buildings in these accounts do not reflect the property located at Hart and Abercromby Streets known as the National Library of Trinidad and Tobago as it is under lease from Fincor to the Government of Trinidad and Tobago.

The Authority does not pay any rent for the use of the building.

No depreciation is charged on works of art and work-in-progress. Depreciation is charged on all other fixed assets on the straight-line basis at annual rates, which are considered appropriate to write off the assets over their estimated useful lives. The rates used are as follows:

Buildings	5%
Plant and machinery	15%
Motor vehicles	25%
Office furniture and fixtures	10%
Computer / Machines	33 1/3%
Office equipment	20%
Books	20%
Leasehold lands	Written off over residual period of lease

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

2. Significant Accounting Policies (cont'd)

Government Subventions

Government subventions are recognised when there is reasonable assurance that the funds will be received. These subventions are recorded as revenue in the period in which they are received.

Accounting Period

These financial statements cover the financial year October 01, 2016 to September 30, 2017.

Inventory

Inventory is valued on the FIFO basis and is stated at the lower of cost and net realizable value.

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016 (cont'd)

Property, Plant and Equipment

	Artwork	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Furniture, Fixtures & Equip	Books
	\$	\$	\$	\$	\$	\$	\$
Cost:							
At October 1, 2016	3,011,700	3,460,008	1,395,141	2,844,159	6,296,334	7,031,735	87,087,631
Disposals	0	0	0	0	0	0	0
Additions	0	0	0	0	73,508	51,611	367,671
At September 30, 2017	<u>3,011,700</u>	<u>3,460,008</u>	<u>1,395,141</u>	<u>2,844,159</u>	<u>6,369,842</u>	<u>7,083,346</u>	<u>87,455,311</u>
Accumulated Depreciation:							
At October 1, 2016	0	0	247,594	2,641,142	5,327,035	4,069,432	82,526,521
Disposals	0	0	0	0	0	0	0
Charge for the year	0	0	13,711	80,103	1,006,053	533,915	2,654,084
At September 30, 2017	<u>0</u>	<u>0</u>	<u>261,305</u>	<u>2,721,245</u>	<u>6,333,087</u>	<u>4,603,347</u>	<u>85,180,611</u>
Net Book Value							
At September 30, 2017	<u>3,011,700</u>	<u>3,460,008</u>	<u>1,133,836</u>	<u>122,914</u>	<u>36,755</u>	<u>2,479,998</u>	<u>2,274,700</u>
Cost:							
At October 1, 2015	3,000,000	3,460,008	1,395,141	2,844,159	4,357,737	6,267,153	86,527,191
Disposals							
Additions	11,700				1,938,597	764,583	560,441
At September 30, 2016	<u>3,011,700</u>	<u>3,460,008</u>	<u>1,395,141</u>	<u>2,844,159</u>	<u>6,296,334</u>	<u>7,031,735</u>	<u>87,087,631</u>
Accumulated Depreciation:							
At October 1, 2015	0	0	233,883	2,561,039	4,301,501	3,525,548	79,032,431
Disposals							
Charge for the year			13,711	80,103	1,025,534	543,885	3,494,091
At September 30, 2016	<u>0</u>	<u>0</u>	<u>247,594</u>	<u>2,641,142</u>	<u>5,327,035</u>	<u>4,069,432</u>	<u>82,526,521</u>
Net Book Value							
At September 30, 2016	<u>3,011,700</u>	<u>3,460,008</u>	<u>1,147,547</u>	<u>203,016</u>	<u>969,300</u>	<u>2,962,303</u>	<u>4,561,110</u>

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

4. Cash in Hand and at Bank

	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Cash in hand	7,050	3,050
Cash at bank	<u>27,991,771</u>	<u>39,192,131</u>
	<u>27,998,821</u>	<u>39,195,181</u>

The Authority's bank account is held with the Republic Bank Limited which is interest bearing.

5. Accounts Receivable and Prepayments

	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Accounts receivable	2,346	2,346
Provision for doubtful amount	(95,112)	(95,112)
VAT refundable	4,139,164	4,748,610
Prepayments	1,434,776	2,103,471
Motor vehicle loans	28,504	22,519
Other	902	978
Overpayments	1,290,976	1,231,557
Rent receivable	7,657	18,042
	<u>6,809,212</u>	<u>8,032,409</u>
Less: Motor vehicle loans due after one (1) year	<u>12,586</u>	<u>38,701</u>
	<u>6,821,798</u>	<u>8,071,110</u>

6. Accumulated Fund

This fund comprise the following assets acquired by NALIS upon its creation on September 10, 1998:

	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Net assets from Public Library of San Fernando and Carnegie Free Library	16,901,772	16,901,772
Assets of Central Library at nominal value (Note 2)	<u>6</u>	<u>6</u>
	<u>16,901,778</u>	<u>16,901,778</u>

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017**

7. Reserve Funds

	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Balance brought forward	(6,670,563)	(21,180,812)
Stale dated cheques written back	20,582	203,502
Prior year adjustments	0	0
Other adjustments	0	0
Surplus/(Deficit) for the year	(19,471,762)	(12,829,253)
Pension adjustments	710,000	27,136,000
	<u>(25,411,743)</u>	<u>(6,670,563)</u>

Section 24 (2) of Act No. 18 of 1998 states... "The balance of the revenue of NALIS in a financial year shall be applied to the creation of reserve funds to finance future expansion and the provision of services to NALIS".

Other Adjustments

	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Prior year issues	0	0
Write-back of Staledated Cheques	20,582	203,502
Pension Adjustments	710,000	27,136,000
	<u>730,582</u>	<u>27,339,502</u>

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

8. Pension

	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
	<u>75,263,000</u>	<u>74,327,000</u>

Provision for pension

Section 22 (1) of Act No.18 of 1998 states..."NALIS shall provide for the establishment and maintenance of a Pension Scheme or arrange for membership in a scheme for such employees as are recruited by NALIS in accordance with Section 18". Until such time, therefore, that a pension scheme is put in place a Provision for Pension has been established at a nominal value of \$1.00. (See Note 15)

\$25.3 million dollars was paid to the Trustees from NALIS' bank account on implementation due to the fact that no funds were provided from the Ministry of Finance.

1) Net Liability in Statement of Financial Position

	2017 \$	2016 \$
Present Value of Defined Benefit Obligation	224,710,000	199,062,000
Fair Value of Assets (Surplus)/Deficit	<u>(149,447,000)</u>	<u>(124,735,000)</u>
Effect of Asset Ceiling	-	-
Net Defined Benefit Liability/(Asset)	<u>75,263,000</u>	<u>74,327,000</u>

2a) Movement in Present Value of Defined Benefit Obligation

	2017 \$	2016 \$
Defined Benefit Obligation at start of year	199,062,000	203,057,000
Current Service Cost	13,337,000	14,613,000
Interest Cost	11,326,000	10,572,000
Members' Contributions	3,402,000	3,695,000
Past Service Cost/(Credit)	-	-
Re-measurements	-	-
- Experience adjustments	400,000	(9,957,000)
- Actuarial (gains)/losses from changes in demographic assumptions	-	-
- Actuarial (gains)/losses from changes in financial assumptions	-	(21,581,000)
Benefits Paid	<u>(2,817,000)</u>	<u>(1,337,000)</u>
Defined Benefit Obligation at end of year	<u>224,710,000</u>	<u>199,062,000</u>

2b) The defined benefit obligation is allocated between the Plan's members as follows

- Active	86%	88%
- Deferred members	4%	4%
- Pensioners	10%	8%
The weighted average duration of the defined benefit obligation at the year end	21.1 years	21.3 years
Percentage of value of benefits for active members is vested	95%	95%
Percentage of defined benefit obligation of active members that is conditional on future salary increases.	39%	39%

**NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

3a) Movement in Fair Value of Plan Assets	2017	2016
	\$	\$
Fair Value of Plan Assets at start of year	124,735,000	104,293,000
Interest Income	7,303,000	5,688,000
Return on Plan assets, excluding interest income	1,110,000	(4,402,000)
NALIS Contributions	16,588,000	17,670,000
Members' Contributions	3,402,000	3,695,000
Benefits Paid	(2,817,000)	(1,337,000)
Administrative Expense Allowance	(874,000)	(872,000)
Fair Value of Plan Assets at end of year	<u>149,447,000</u>	<u>124,735,000</u>
Actual return on Plan assets	8,413,000	1,286,000

3b) Asset Allocation	2017	2016
	\$	\$
Locally listed equities	37,086,000	32,204,000
Overseas equities	22,054,000	18,111,000
TT\$ Gov't and Gov't guaranteed bonds	69,882,000	47,759,000
TT\$ corporate bonds	16,920,000	18,049,000
US\$ bonds	-	-
Cash and cash equivalents	3,505,000	8,612,000
Fair Value of Plan Assets at end of year	<u>149,447,000</u>	<u>124,735,000</u>

All asset values as at 30 September 2016, 2017 and 2018 were based on audited accounts provided by RBC Trust Limited (the Plan's trustee). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is illiquid. The Investment Managers calculate the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yieldcurve.

The majority of the Plan's government bonds were issued by the Government of Trinidad & Tobago, which also guarantees many of the corporate bonds held by the Plan.

The Plan's assets are invested in accordance with a strategy that NALIS has agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad & Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

4) Expense Recognised in Profit or Loss	2017	2016
	\$	\$
Current Service Cost	13,337,000	14,613,000
Net Interest on Net Defined Benefit Liability/(Asset)	4,023,000	4,884,000
Past Service Cost/(Credit)	-	-
Administrative Expense Allowance	874,000	872,000
Net Pension Cost	<u>18,234,000</u>	<u>20,369,000</u>

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5) Re-measurements recognized in Other Comprehensive Income	2017	2016
	\$	\$
Experience (gains)/losses	(710,000)	(27,136,000)
Effect of Asset Ceiling	-	-
Total amount recognized in Other Comprehensive Income	<u>(710,000)</u>	<u>(27,136,000)</u>

6) Reconciliation of Opening and Closing Statement of Financial Position entries	2017	2016
	\$	\$
Opening Defined Benefit Liability/(Asset) at prior year end	74,327,000	98,764,000
Unrecognised loss charged to retained earnings	N/A	N/A
Opening Defined Benefit Liability/(Asset)	<u>74,327,000</u>	<u>98,764,000</u>
Net Pension Cost	18,234,000	20,369,000
Re-measurements recognised in Other Comprehensive Income	(710,000)	(27,136,000)
NALIS Contributions Paid/earnings	<u>(16,588,000)</u>	<u>(17,670,000)</u>
Closing Defined Benefit Liability/(Asset)	<u>75,263,000</u>	<u>74,327,000</u>

7) Summary of Principal Assumptions as at September 30	2017	2016
	%	%
Discount rate	5.0	5.0
General salary increases	3.0	3.0
Salary increases due to age, merit and promotion	1.0	1.0
Total individual salary increases	<u>4.0</u>	<u>4.0</u>
Future pension increases	0.0	0.0
Life expectancy at age 60 for current pensioner in years		
- Male	21.0	21.0
- Female	25.1	25.1
Life expectancy at age 60 for current members age 40 in years		
- Male	21.4	21.4
- Female	25.4	25.4

8) Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at each year-end would have changed as a result of a change in the assumptions used.

	2017	2016
	\$	\$
1% pa increase in the discount rate	(39,222,000)	(35,130,000)
1% pa decrease in the discount rate	51,925,000	46,657,000
1% pa increase in the assumed rate of future salary increases	27,506,000	25,222,000
1% pa decrease in the assumed rate of future salary increases	(23,330,000)	(21,361,000)
An increase of 1 year in the assumed life expectancies	2,964,000	2,618,000

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

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9) Funding

NALIS meets the balance of the cost of funding the defined benefit Pension Plan. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. NALIS expects to pay the following contributions (in \$ millions) during the next financial year

	2017	2016
	\$	\$
NALIS contributions paid in the next financial year	17,361,000	16,588,000

9. Refundable Deposits

	AMENDED SEPTEMBER 30 2017	AMENDED SEPTEMBER 30 2016
	\$	\$
	<u>19,317</u>	<u>19,317</u>

This represents refundable deposits made by non-nationals who borrow books from the library.

10. Payable and Accruals

	AMENDED SEPTEMBER 30 2017	AMENDED SEPTEMBER 30 2016
	\$	\$
Accounts payables and accruals	2,567,319	2,659,609
GHP Prepayments	4,955	0
Audit Fees	1,025,000	875,000
Statedated cheques	950,932	396,406
UNESCO	9,016	9,016
NALIS Cultural Committee Fund	81	81
Republic Bank - NLB Initiative	349,700	349,700
American Grant NLB	(672)	(672)
Phoenix Park - Poetry Day Competition	39,910	39,910
	<u>4,946,240</u>	<u>4,329,050</u>
Refundable Deposits	19,317	19,317
	<u>4,965,557</u>	<u>4,348,367</u>

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11. Other Income	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Fines	32,633	39,306
Lost / Damaged books	8,084	11,158
Miscellaneous	56,396	65,376
Photocopying and computer printout	39,431	42,847
Donations	8,444	(16,244)
Rental	192,927	196,670
Interest	107,196	142,733
Income from Branches*	138,875	171,052
	<u>583,986</u>	<u>652,898</u>

12. Personnel Emoluments	AMENDED SEPTEMBER 30 2017 \$	AMENDED SEPTEMBER 30 2016 \$
Salaries and cost of living allowances	87,282,393	92,149,601
Wages and cost of living allowances	0	49,947
Contribution to National Insurance	6,984,291	6,352,207
	<u>94,266,684</u>	<u>98,551,755</u>

13. Contingent Liabilities

There are no contingent liabilities accruing to the Authority.

14. Subsequent Events

Cabinet by Minute No. 2444 dated September 03, 2009 agreed as follows:

- a) To the establishment of the Pension Plan of The National Library an Information System Authority (NALIS) with effect October 01, 2009;
- b) That the plan be contributory by employees who will pay at a rate of 5% of their salary;
- c) That a one-year moratorium for the year commencing October 2009 be granted on employees' contribution at a cost of \$2,650,000;
- d) To fund the initial past service liability through a lump sum of \$13M plus 18.2% of payroll for the first ten (10) years which amounts to \$17,560,000. in the first year, falling to the equivalent of \$4,560,000 based on current salary levels in years 2 to 10.

A total of \$25,300,000 was paid to the fund trustees in October 2010, representing employees' contribution of \$2,650,000, employer's contribution of \$5,090,000 and past service liability of \$17,560,000.

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14. Subsequent Events (Cont'd)

- e) The IAS 19 figures for 2013 - 2015 were received after the year end, (September 30, 2017) thus the adjustments are not reflected in the figures presented herein.

- f) There was a major exercise to reconcile the Fixed Asset Register with the General Ledger. This involved adjustments in the General Ledger from 2011/2012 to 2016/2017. All the Financial Statements up to 2014/2015 were completed prior to this exercise. Hence the reason to restate the 2016 Financial Statements. The major impact of the adjustments was seen in the the Statement of Financial Position.