



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, 2012

The accompanying Financial Statements of the National Library and Information System Authority for the year ended September 30, 2012 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2012, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Cash Flows for the year ended September 30, 2012, Accounting Policies and Explanatory Notes to the Financial Statements labelled A to O.

2. The audit was conducted by a firm of Accountants appointed by the Auditor General in accordance with section 29 (3) of the National Library and Information System Act, Chapter 40:01. Their Report dated August 30th, 2019, which is attached, refers.

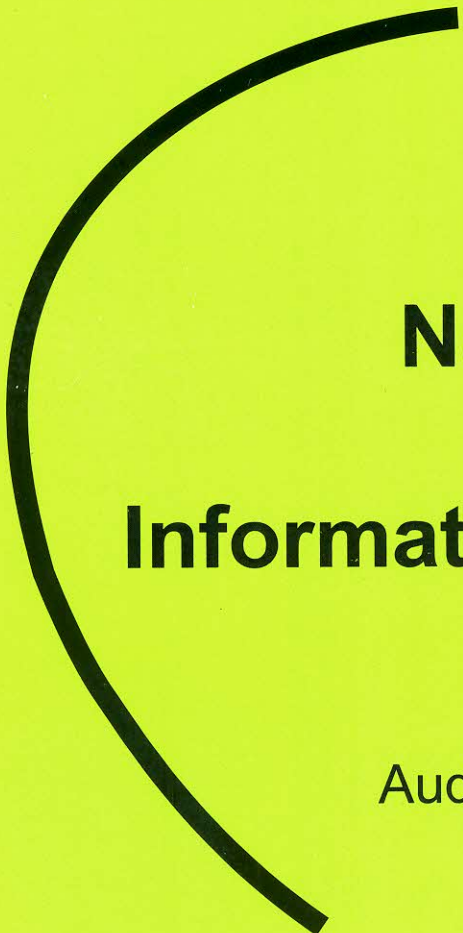
SUBMISSION OF REPORT

3. 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 provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.



**23RD JANUARY, 2020
PORT-OF-SPAIN**


**LORELLY PUJADAS
AUDITOR GENERAL**



National Library and Information System Authority

Audited Financial Statements

September 30, 2012

Audited Financial Statements
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

Audited Financial Statements

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The Auditor General of the
Republic of Trinidad and Tobago
Levels 2-4, Tower C
Port of Spain International Waterfront Centre
1 Wrightson Road
PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of National Library and Information System Authority, which comprise the statement of financial position as at September 30, 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' 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 auditors consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our disclaimer audit opinion.

The Auditor General of the
Republic of Trinidad and Tobago
Levels 2-4, Tower C
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PORT-OF-SPAIN

INDEPENDENT AUDITORS' REPORT - (Continued)

Basis for Disclaimer Opinion

As a result of the time between the Statement of Financial Position date and the date of our audit procedures being undertaken, we were unable to obtain sufficient audit evidence in order to assess the completeness and existence of tangible non-current assets. Additionally, the Authority has no evidence that a physical verification or impairment assessment was conducted on tangible non-current assets. As result, we were unable to determine whether any adjustments might have been necessary in respect of the value of the tangible non-current assets as at September 30, 2011 and 2012 which is stated in the Statement of Financial Position at \$45,624,743 and \$47,255,739 respectively.

Further, in accordance with International Accounting Standard (IAS) 16 – Property, plant and equipment, the Authority has not complied with the revaluation and disclosure of assets at fair value. Several properties and other property, plant and equipment has been recorded and maintained at nominal value in these financial statements, update valuation reports were not available to determine the impact of not revaluing these properties.

We were not appointed as auditors of the Authority until after September 30, 2012 and thus did not observe the counting of physical inventories at the beginning and end of the year. We were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the inventory quantities and condition of such inventory held at September 30, 2011 and 2012, which are stated in the statement of financial position at \$310,657 and \$455,220 respectively.

We draw attention to Note B(i) of the Notes to the financial statements, the Authority has applied government grants related to capital expenditure to the statement of comprehensive income, in accordance with Section 24 of the National Library and Information System Act, 1998 (NALIS Act 1998). This treatment is not in accordance with International Accounting Standard 20 – Accounting for government grants which dictates the treatment of grants related to assets to be treated as deferred income and amortized over the useful life of the asset or deduction of the grant in arriving at the carrying amount of the asset (IAS 20.24).

Opinion

Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial position of the National Library and Information System Authority as at September 30, 2012 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



August 30, 2019
PORT-OF-SPAIN

STATEMENT OF FINANCIAL POSITION
 (Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

| | | September 30 | |
|--|-------|---------------|---------------|
| | | 2012 | 2011 |
| ASSETS | Notes | | |
| CURRENT ASSETS | | | |
| Cash in hand and at bank | C | \$ 34,957,661 | \$ 32,558,761 |
| Accounts receivable and prepayments | D | 10,617,534 | 5,128,933 |
| Inventory | E | 455,220 | 310,657 |
| | | <hr/> | <hr/> |
| TOTAL CURRENT ASSETS | | 46,030,415 | 37,998,351 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | F | 47,255,739 | 45,624,743 |
| Motor vehicle loans due after one year | | 121,307 | 393,520 |
| | | <hr/> | <hr/> |
| TOTAL NON-CURRENT ASSETS | | 47,377,046 | 46,018,263 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS | | \$ 93,407,461 | \$ 84,016,614 |

These financial statements were authorized for issue by the Board of Directors on August 30, 2019.

Director *Romain*

Director *Shelby*

| | | September 30 | |
|--------------------------------------|-------|----------------------|----------------------|
| | | 2012 | 2011 |
| LIABILITIES AND EQUITY | Notes | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and accruals | G | \$ 3,441,978 | \$ 2,932,862 |
| Refundable deposits | M | 19,317 | 9,307 |
| TOTAL CURRENT LIABILITIES | | <u>3,461,295</u> | <u>2,942,169</u> |
| NON-CURRENT LIABILITIES | | | |
| Pension liability | H | 32,648,000 | 37,276,000 |
| TOTAL NON-CURRENT LIABILITIES | | <u>32,648,000</u> | <u>37,276,000</u> |
| EQUITY | | | |
| Originating capital fund | I | 16,901,778 | 16,901,778 |
| Accumulated surplus | | 40,396,388 | 26,896,667 |
| | | <u>57,298,166</u> | <u>43,798,445</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>\$ 93,407,461</u> | <u>\$ 84,016,614</u> |

The accompanying notes on pages 8 to 19 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

| | Notes | Year ended September 30 | |
|------------------------------------|-------|-------------------------|----------------|
| | | 2012 | 2011 |
| Income | | | |
| Government subventions | | \$ 172,154,373 | \$ 143,453,547 |
| Other income | J | 844,817 | 845,197 |
| | | <hr/> | <hr/> |
| TOTAL INCOME | | 172,999,190 | 144,298,744 |
| Expenditure | | | |
| Audit fees | | 150,000 | 125,000 |
| Bank charges | | 30,176 | 24,635 |
| Contract consulting fees | | 19,619,815 | 12,142,471 |
| Depreciation | | 11,870,711 | 13,107,086 |
| Development programme | | 5,985,864 | 4,451,119 |
| Electricity | | 3,483,071 | 3,283,864 |
| Hosting conferences and seminars | | 894,620 | 510,049 |
| Insurance | | 2,681,110 | 2,503,933 |
| Books and periodicals | | 4,812,990 | 3,948,470 |
| Materials and supplies | | 502,207 | 628,947 |
| Office stationery and supplies | | 1,626,637 | 1,010,425 |
| Other minor equipment | | 137,457 | 26,726 |
| Pension | | 11,107,655 | 10,673,725 |
| Promotion, publicity and printing | | 1,435,322 | 1,632,906 |
| Rates and taxes | | 53,452 | 166,504 |
| Rental of premises | | 2,050,919 | 2,323,862 |
| Repairs and maintenance | | 8,763,687 | 6,884,946 |
| Remuneration of Board of Directors | | 532,743 | 427,032 |
| Salaries and wages | | 79,045,199 | 76,183,387 |
| Telephone and communication | | 2,766,260 | 2,605,284 |
| Training | | 1,072,451 | 563,701 |
| Traveling | | 831,312 | 917,481 |
| Uniforms | | 45,811 | 32,306 |
| | | <hr/> | <hr/> |
| | | 159,499,469 | 144,173,859 |
| | | <hr/> | <hr/> |
| SURPLUS FOR THE YEAR | | \$ 13,499,721 | \$ 124,885 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The accompanying notes on pages 8 to 19 form an integral part of these financial statements.

STATEMENT IN CHANGES IN EQUITY
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

| | <u>Reserve Funds</u> | <u>Accumulated Fund</u> | <u>Total</u> |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Year ended September 30, 2012 | | | |
| Balance at beginning of year | \$ 26,896,667 | \$ 16,901,778 | \$ 43,798,445 |
| Surplus for the year | <u>13,499,721</u> | - | <u>13,499,721</u> |
| Balance at end of year | <u><u>\$ 40,396,388</u></u> | <u><u>\$ 16,901,778</u></u> | <u><u>\$ 57,298,166</u></u> |
| Year ended September 30, 2011 | | | |
| Balance at beginning of year | \$ 26,771,782 | \$ 16,901,778 | \$ 43,673,560 |
| Surplus for the year | <u>124,885</u> | - | <u>124,885</u> |
| Balance at end of year | <u><u>\$ 26,896,667</u></u> | <u><u>\$ 16,901,778</u></u> | <u><u>\$ 43,798,445</u></u> |

The accompanying notes on pages 8 to 19 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

| | Year ended September 30 | |
|---|-------------------------|----------------------|
| | 2012 | 2011 |
| OPERATING ACTIVITIES | | |
| Net surplus for the year | \$ 13,499,721 | \$ 124,885 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 11,870,711 | 13,107,086 |
| Changes to operating assets and liabilities: | | |
| (Increase)/decrease in accounts receivable and prepayments | (5,488,601) | 5,365,225 |
| Increase in inventory | (144,563) | (69,392) |
| Increase in accounts payable and accruals | 519,126 | 439,382 |
| Decrease in pension liabilities | (4,628,000) | (19,527,000) |
| | <u>15,628,394</u> | <u>(559,814)</u> |
| NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES | | |
| | 15,628,394 | (559,814) |
| INVESTING ACTIVITIES | | |
| Decrease in motor vehicles loans | 272,213 | (41,428) |
| Purchase of property, plant and equipment | (13,501,707) | (6,696,872) |
| | <u>(13,229,494)</u> | <u>(6,738,300)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | | |
| | (13,229,494) | (6,738,300) |
| INCREASE/(DECREASE) IN CASH | 2,398,900 | (7,298,114) |
| Cash and cash equivalents at beginning of year | 32,558,761 | 39,856,875 |
| | <u>34,957,661</u> | <u>32,558,761</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | |
| | \$ 34,957,661 | \$ 32,558,761 |
| Represented by: | | |
| Cash in hand | \$ 1,300 | \$ 1,300 |
| Cash at bank | 34,956,361 | 32,557,461 |
| | <u>\$ 34,957,661</u> | <u>\$ 32,558,761</u> |

The accompanying notes on pages 8 to 19 form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE A - INCORPORATION AND PRINCIPAL ACTIVITY

The National Library and Information System Authority (NALIS) was established by an Act of Parliament - National Library and Information System Act Chapter 40:01 (1998), which came into effect September 10, 1998. The head office is located at corner Hart and Abercromby Street, Port-of-Spain, Trinidad, with over twenty (20) branch locations throughout Trinidad and Tobago.

The principal activity of NALIS is to provide a national library and information service to the public to facilitate educational, cultural, economic, social and political development.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

- (i) Basis of Preparation - These financial statements have been prepared on a historical cost basis and no account has been taken of the effects of inflation.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and by reference to the National Library and Information System Act, 1998 (NALIS Act 1998).

These financial statements depart from the IFRS, in conjunction with Section 24 of the NALIS Act 1998, with regard to the treatment of the Government Subventions for revenue purposes. All funds received, for recurrent or capital expenditure, are to be applied to the Statement of Comprehensive Income, with any surplus arising to be applied to Reserve Funds to finance future expansion and the provision of services to NALIS (Section 24 (2)).

This treatment is inconsistent with IAS 20 - Accounting for Government Grants, whereby government subventions relevant to capital expenditure should be treated as deferred income or deduction of the grant in arriving at the carrying amount of the asset (IAS 20.24).

- (ii) New Accounting Standards and Interpretations - New accounting standards and interpretations applicable to the Authority effective for the periods beginning January 1, 2012 and July 1, 2012 have been applied where applicable.

The Authority has assessed that new accounting standards and interpretations applicable after the financial year, will have no material impact on the financial statements and accordingly, the Authority has chosen not early adopt any of these standards and interpretations.

- (iii) Revenue Recognition - Revenue is recognized on an accrual basis and derived from the receipt of government subventions based on statutory budget allocations.

Other income is recognized on an accrual basis.

Revenues are recognized when the significant risks and rewards of ownership have been passed to the buyer or when the economic benefits associated with the rendering of a service is probable and can be reliably measured.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- (iv) Foreign Currency Transactions - Transactions in foreign currencies are translated into Trinidad and Tobago dollars at the exchange rates ruling at the time they were recorded. Assets and liabilities in foreign currencies are translated into Trinidad and Tobago dollars at the rates of exchange ruling at the balance sheet date and differences arising are reflected in the current year's results.
- (v) Use of Estimates - The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- (vi) Inventory - Inventory is valued at the lower of cost and net realizable value. Cost is determined using the First in First out (FIFO) method of valuation. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling, marketing and distribution expenses, necessary to make the sale.
- (vii) Property, Plant and Equipment - In 1998, the property, plant and equipment of the Central Library of Trinidad and Tobago and San Fernando Carnegie Free Library were vested to NALIS, in accordance with Section 35 (1) NALIS Act Chapter 40:01. The value at which all assets were recorded totaled \$6.00. The Ministry of Finance - Valuation Division was subsequently engaged to perform valuation exercises on the said assets to update the fair values reported to date. This process has not been completed to date.

Depreciation is provided (on all other assets) on a straight-line basis at varying rates to write-off the cost of the assets over their estimated useful lives.

The rates are as follows:

| | | |
|-----------------------------------|---|--------|
| Office equipment | - | 20% |
| Motor vehicles | - | 25% |
| Conservation laboratory equipment | - | 25% |
| Furniture and fixtures | - | 10% |
| Computer equipment | - | 33.33% |
| Books | - | 20% |
| Buildings | - | 5% |

Depreciation is not charged on the following:

- a) Artwork
- b) Building Work-in-Progress
- c) Freehold land

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(vii) Property, Plant and Equipment - (Continued)

Excluded from these financial statements is the fair value of property located at Hart and Abercromby Streets, Port-of-Spain. These premises through the Ministry of Public Administration are under lease agreement between the Government of Trinidad and Tobago and Republic Finance and Merchant Bank Limited (FINCOR).

The Authority does not pay any lease rental for the use of this property.

(viii) Cash and Cash Equivalent - Cash and cash equivalents includes cash on hand and cash in the bank (demand deposits).

(ix) Accounts payable - Accounts payable are obligations on the basis of normal credit terms and do not bear interest. Accounts payable denominated in a foreign currency are translated into Trinidad and Tobago dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

(x) Accounts Receivable - Accounts receivable is carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. When an accounts receivable is uncollectible, it is written off against the allowance for accounts receivable. Subsequent recoveries of amounts previously written off are credited to the income statement.

(xi) Taxation - Section 27 (1) of the National Library and Information System Act Chapter 40:01 states: "NALIS is exempt from all taxes, duties, fees, charges, assessments, levies and imposts on assets which it acquires for its own use."

(xii) Reserve Funds - Section 24 (2) of the National Library and Information System Act Chapter 40:01 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."

(xiii) Pension Plan - NALIS implemented a Defined Benefit Pension Plan in October 2009, pursuant to the provision of Section 22 of the National Library and Information System Act Chapter 40:01. The last actuarial valuation was completed in 2015, prior to the commencement of the audit. International Accounting Standard 19 - "Employee Benefits" (IAS 19) requires the company to recognize the Pension Liability, based on the present value of the obligation. Based on the above these financial statements have been adjusted to accordingly.

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(xiii) Pension Plan - (Continued)

The Authority's eligible employees are members of the Authority's Pension Plan. This plan defines an amount of pension that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The funds of the plan are administered by fund managers appointed by the trustees of the plan. The pension plan is generally funded by payments from employees and the Authority, taking account of the recommendation of independent qualified actuaries.

The pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan at least every three years.

The liability recognized in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligations at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The pension obligation is measured as the present value of the estimated future cash outflows using long-term bond yield.

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE C - CASH IN HAND AND AT BANK

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

| | <u>2012</u> | <u>2011</u> |
|--------------|----------------------|----------------------|
| Cash in hand | \$ 1,300 | \$ 1,300 |
| Cash at bank | 34,956,361 | 32,557,461 |
| | <u>\$ 34,957,661</u> | <u>\$ 32,558,761</u> |

NOTE D - ACCOUNTS RECEIVABLE AND PREPAYMENTS

| | <u>2012</u> | <u>2011</u> |
|----------------------------------|----------------------|---------------------|
| Trade receivables | \$ 2,346 | \$ 86,706 |
| Provision for doubtful debts | (95,112) | (122,099) |
| Prepayments | 1,720,776 | 1,877,962 |
| Employees loans and overpayments | 1,344,346 | 997,484 |
| Value Added Tax refundable | 7,542,599 | 2,276,829 |
| Motor vehicle loans | 95,837 | - |
| Other | 1,200 | 1,239 |
| Rent receivable | 5,542 | 10,812 |
| | <u>\$ 10,617,534</u> | <u>\$ 5,128,933</u> |

NOTE E - INVENTORY

| | <u>2012</u> | <u>2011</u> |
|-------------------|-------------------|-------------------|
| Inks | \$ 43,867 | \$ 202,219 |
| Stationery | 124,707 | 44,355 |
| Cleaning supplies | 249,685 | 54,948 |
| Kitchen supplies | 36,961 | 4,764 |
| Miscellaneous | - | 4,371 |
| | <u>\$ 455,220</u> | <u>\$ 310,657</u> |

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE F - PROPERTY, PLANT AND EQUIPMENT

| | <u>Artwork</u> | <u>Freehold Land</u> | <u>Leasehold Land</u> | <u>Buildings</u> | <u>Leasehold Improvements</u> | <u>Furniture, Fixtures & Equipment</u> | <u>Books</u> | <u>Computers & Machines</u> | <u>Motor Vehicles</u> | <u>DP New Libraries</u> | <u>Office Equipment & Another Minor Equipment</u> | <u>Conservation Lab Equipment</u> | <u>Total 2012</u> | <u>Total 2011</u> |
|---------------------------------|---------------------|----------------------|-----------------------|---------------------|-------------------------------|--|----------------------|---------------------------------|-----------------------|-------------------------|---|-----------------------------------|-----------------------|-----------------------|
| Cost | | | | | | | | | | | | | | |
| At beginning of year | \$ 3,000,000 | \$ 3,460,008 | \$ 1,395,141 | \$ 2,844,159 | \$ 3,785,330 | \$ 4,022,460 | \$ 71,766,149 | \$ 12,418,087 | \$ 4,678,215 | \$ 9,057,535 | \$ 7,391,755 | \$ 437,391 | \$ 124,256,230 | \$ 117,559,358 |
| Additions | - | - | - | - | 11,310 | 586,664 | 6,099,119 | 1,844,119 | 254,300 | 3,339,482 | 1,136,816 | 229,897 | 13,501,707 | 6,696,872 |
| At end of year | <u>\$ 3,000,000</u> | <u>\$ 3,460,008</u> | <u>\$ 1,395,141</u> | <u>\$ 2,844,159</u> | <u>\$ 3,796,640</u> | <u>\$ 4,609,124</u> | <u>\$ 77,865,268</u> | <u>\$ 14,262,206</u> | <u>\$ 4,932,515</u> | <u>\$ 12,397,017</u> | <u>\$ 8,528,571</u> | <u>\$ 667,288</u> | <u>\$ 137,757,937</u> | <u>\$ 124,256,230</u> |
| Accumulated Depreciation | | | | | | | | | | | | | | |
| At beginning of year | \$ - | \$ - | \$ 179,037 | \$ 2,228,105 | \$ 3,112,883 | \$ 1,931,354 | \$ 56,531,051 | \$ 9,106,202 | \$ 3,108,285 | \$ - | \$ 2,259,614 | \$ 174,956 | \$ 78,631,487 | \$ 65,524,401 |
| Charge for the year | - | - | 13,711 | 85,103 | 678,100 | 315,182 | 7,163,388 | 2,419,145 | 497,868 | - | 591,578 | 106,636 | 11,870,711 | 13,107,086 |
| At end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 192,748</u> | <u>\$ 2,313,208</u> | <u>\$ 3,790,983</u> | <u>\$ 2,246,536</u> | <u>\$ 63,694,439</u> | <u>\$ 11,525,347</u> | <u>\$ 3,606,153</u> | <u>\$ -</u> | <u>\$ 2,851,192</u> | <u>\$ 281,592</u> | <u>\$ 90,502,198</u> | <u>\$ 78,631,487</u> |
| Net Book Value | <u>\$ 3,000,000</u> | <u>\$ 3,460,008</u> | <u>\$ 1,202,393</u> | <u>\$ 530,951</u> | <u>\$ 5,657</u> | <u>\$ 2,362,588</u> | <u>\$ 14,170,829</u> | <u>\$ 2,736,859</u> | <u>\$ 1,326,362</u> | <u>\$ 12,397,017</u> | <u>\$ 5,677,379</u> | <u>\$ 385,696</u> | <u>\$ 47,255,739</u> | <u>\$ 45,624,743</u> |

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE G - ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable represent amounts due to various suppliers of goods and services.

| | <u>2012</u> | <u>2011</u> |
|------------------------|---------------------|---------------------|
| Accounts payable | \$ 2,496,833 | \$ 2,170,677 |
| Audit fees | 275,000 | 125,000 |
| Stale dated cheques | 578,774 | 545,814 |
| UNESCO | 67,557 | 67,557 |
| One Book One Community | 20,774 | 20,774 |
| PAHO Digitization | 3,040 | 3,040 |
| | <u>\$ 3,441,978</u> | <u>\$ 2,932,862</u> |

NOTE H - PENSION LIABILITIES

| | <u>2012</u> | <u>2011</u> |
|-----------------------|---------------|---------------|
| Provision for pension | \$ 32,648,000 | \$ 37,276,000 |

(a) Change in Defined Benefit Obligation

| | | |
|--|-----------------------|----------------------|
| Defined benefit obligation at 1 st October | \$ 70,406,000 | \$ 52,349,000 |
| Interest cost | 4,554,000 | 3,393,000 |
| Service cost | 8,707,000 | 8,299,000 |
| Actuarial loss | 19,970,000 | 4,723,000 |
| Benefit paid | (714,000) | (301,000) |
| Members' contribution | 2,986,000 | 2,552,000 |
| Expense allowance | (656,000) | (609,000) |
| Defined benefit obligation at 30 th September | <u>\$ 105,253,000</u> | <u>\$ 70,406,000</u> |

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE H - PENSION LIABILITIES - (Continued)

| | <u>2012</u> | <u>2011</u> |
|---|----------------------|----------------------|
| (b) Change in Plan Assets | | |
| Balance at 1 st October | \$ 32,334,000 | \$ - |
| Expected return on plan assets | 2,641,000 | 1,019,000 |
| Actuarial loss | (2,032,000) | (527,000) |
| Employer's contributions | 15,248,000 | 30,200,000 |
| Members' contributions | 2,986,000 | 2,552,000 |
| Benefit paid | (714,000) | (301,000) |
| Expense allowance | (656,000) | (609,000) |
| Balance at 30 th September | \$ <u>49,807,000</u> | \$ <u>32,334,000</u> |
| (c) Items for inclusion in Statement of Financial Position | | |
| Defined benefits obligation | \$ 105,253,000 | \$ 70,406,000 |
| Fair value of plan assets | (49,807,000) | (32,334,000) |
| Deficit | <u>55,446,000</u> | <u>38,072,000</u> |
| Unrecognized loss | (22,798,000) | (796,000) |
| Net IAS 19 Defined Benefit Liability | \$ <u>32,648,000</u> | \$ <u>37,276,000</u> |
| (d) Items for inclusion in Revenue Accounts | | |
| Current service cost | \$ 8,707,000 | \$ 8,299,000 |
| Expected return on plan assets | (2,641,000) | (1,019,000) |
| Interest on Defined Benefit Obligation | 4,554,000 | 3,393,000 |
| Net IAS 19 Pension expense | \$ <u>10,620,000</u> | \$ <u>10,673,000</u> |

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE H - PENSION LIABILITIES - (Continued)

| | <u>2012</u> | <u>2011</u> |
|--|----------------------|----------------------|
| (e) Reconciliation of Opening and Closing balance sheet entries | | |
| Opening Defined Benefit Liability | \$ 37,276,000 | \$ 56,803,000 |
| Net Pension Cost | 10,620,000 | 10,673,000 |
| Contributions paid | (15,248,000) | (30,200,000) |
| Closing Defined Benefit Liability | <u>\$ 32,648,000</u> | <u>\$ 37,276,000</u> |
| (f) Actual return on plan assets | | |
| Expected return on plan assets | \$ 2,641,000 | \$ 1,019,000 |
| Actuarial loss on plan assets | (2,032,000) | (527,000) |
| Actual Return on Plan Assets | <u>\$ 609,000</u> | <u>\$ 492,000</u> |
| (g) Experience History | | |
| Defined Benefit Obligation | \$ 105,253,000 | \$ 70,406,000 |
| Fair Value of Plan Assets | (49,807,000) | (32,334,000) |
| Plan deficit | <u>\$ 55,446,000</u> | <u>\$ 38,072,000</u> |
| Experience gain/(loss) on Plan Liabilities | \$ (19,970,000) | \$ 4,723,000 |
| Experience loss on Plan Assets | (2,032,000) | (527,000) |

(h) NALIS expects to contribute \$11.7 million to its defined benefit plan in 2012/2013.

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE H - PENSION LIABILITIES - (Continued)

| | <u>2012</u> | <u>2011</u> |
|--|-------------|-------------|
| (i) Summary of Principal Assumptions as at September 30 | | |
| Discount rate | 5.0% | 6.5% |
| Salary increases: | | |
| General salary increases | 3.0% | 4.0% |
| Promotional salary increases | 1.0% | 1.0% |
| Total salary increases | 4.0% | 5.0% |
| Increases in Government Minimum Pension | 2.5% | 3.5% |
| Expected Return on Assets | 5.0% | 6.5% |
| (j) Assets allocation as at September 30 | | |
| Cash and short-term investments | 100% | 100% |
| | <u>100%</u> | <u>100%</u> |

NOTE I - OPENING CAPITAL

In September 1998, with the formation of NALIS, the Government of Trinidad and Tobago vested the assets from the formerly-independent Public Library and Carnegie Free Library of San Fernando, in addition to the Central Library Port-of-Spain. The value thus applied was:

| | <u>2012</u> | <u>2011</u> |
|--------------------------------------|----------------------|----------------------|
| Public library/Carnegie free library | \$ 16,901,772 | \$ 16,901,772 |
| Central library | 6 | 6 |
| | <u>\$ 16,901,778</u> | <u>\$ 16,901,778</u> |

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE J - OTHER INCOME

| | <u>2012</u> | <u>2011</u> |
|----------------------|-------------------|-------------------|
| Rental | \$ 142,220 | \$ 127,563 |
| Photocopy services | 116,418 | 119,449 |
| Interest | 94,057 | 101,892 |
| Donation | 59,750 | 53,720 |
| Fines | 66,592 | 77,037 |
| Lost books | 14,027 | 15,539 |
| Miscellaneous | 60,969 | 55,034 |
| Income from branches | 290,784 | 294,963 |
| | <u>\$ 844,817</u> | <u>\$ 845,197</u> |

NOTE K - PERSONNEL EXPENDITURE

| | <u>2012</u> | <u>2011</u> |
|--|----------------------|----------------------|
| Salaries and cost of living allowances | \$ 74,366,842 | \$ 71,634,149 |
| Wages and cost of living allowances | 47,840 | 44,167 |
| Contribution to National Insurance | 4,630,517 | 4,505,071 |
| | <u>\$ 79,045,199</u> | <u>\$ 76,183,387</u> |

NOTE L - FINANCIAL INSTRUMENTS

- (i) Fair Values - The carrying amounts of short-term financial assets and liabilities comprising cash in hand and at bank, accounts receivable and prepayments and accounts payable and accruals, payroll liabilities and other liabilities are a reasonable estimate of their fair values because of the short maturity of these instruments.
- (ii) Credit Risk - The Authority has no significant concentration of credit risk.

NOTES TO FINANCIAL STATEMENTS - (Continued)
 (Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE M - REFUNDABLE DEPOSITS

| | <u>2012</u> | <u>2011</u> |
|---------------------|-------------------|-------------------|
| Refundable deposits | \$ 19,317 | \$ 9,307 |
| | <u> </u> | <u> </u> |

These represent refundable deposits made by non-nationals who borrow books from the library as well as a refundable rent deposit.

NOTE N - CAPITAL COMMITMENTS

Construction Commitments

The Authority has a commitment to construct several libraries at various locations. The funding for these construction projects is being provided by the Government of Trinidad and Tobago under the Infrastructure Development Fund.

The active construction projects and commitments with contractors as at September 30, 2012 are as follows:

| Project | Remaining Commitment |
|-----------------------------------|---------------------------------|
| Construction of Chaguanas Library | \$ 49,493,516 |
| Construction of Couva Library | 10,297,587 |
| Construction of Rio Claro Library | 3,006,692 |
| Construction of Mayaro Library | 12,259,414 |
| | <u> </u> |
| | \$ 75,057,209 |
| | <u> </u> |

NOTES TO FINANCIAL STATEMENTS - (Continued)
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2012

NOTE O - CONTINGENT LIABILITIES

Operating lease commitments

The organization as a lessee:

It is the Authority's policy to rent certain items of office equipment and premises under operating lease agreements. The lease terms of these agreements vary between 1 to 3 years.

At the balance sheet date, the Authority had outstanding commitments which fall due as follows:

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| <i>Within one year:</i> | | |
| Rent/Lease - Office Accommodation & Storage | \$ 2,174,982 | \$ 2,050,919 |
| Rent/Lease - Equipment | 1,514,086 | 1,429,457 |
| | <u>\$ 3,689,068</u> | <u>\$ 3,480,376</u> |

The organization does not sub-lease any of its leased premises. Lease payments recognized in profit for the period amounted to \$3,480,376 (2011: \$3,631,753).