



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, 2013

The accompanying Financial Statements of the National Library and Information System Authority for the year ended September 30, 2013 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2013, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Cash Flows for the year ended September 30, 2013, Accounting Policies and Explanatory Notes to the Financial Statements labelled A to P.

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.

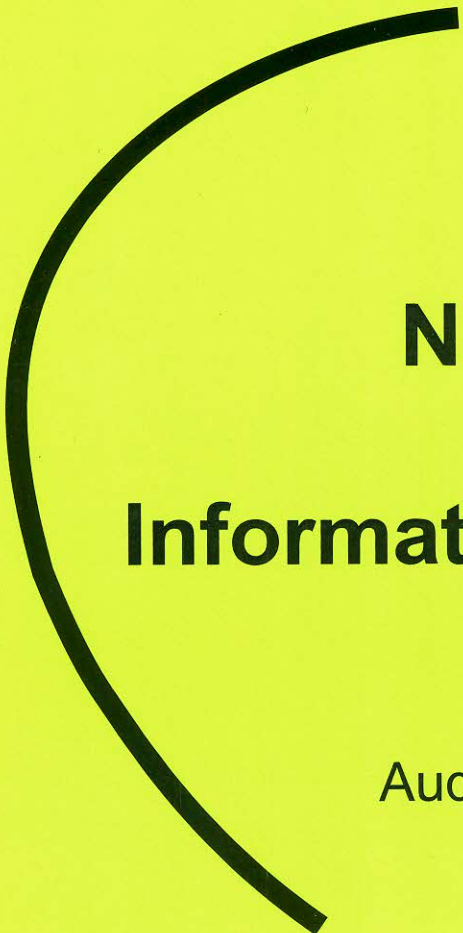
SUBMISSION OF REPORT

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, 2013

Audited Financial Statements
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2013

Audited Financial Statements

Independent Auditors' Report.....	1-2
Statement of Financial Position.....	3-4
Statement of Comprehensive Income.....	5
Statement of Changes in Equity.....	6
Statement of Cash Flows	7
Notes to Financial Statements	8-19

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, 2013 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
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Levels 2-4, Tower C
Port of Spain International Waterfront Centre
1 Wrightson Road
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, 2012 and 2013 which is stated in the Statement of Financial Position at \$47,255,739 and \$49,647,265 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, updated 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, 2013 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, 2012 and 2013, which are stated in the statement of financial position at \$455,220 and \$1,545,076 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, 2013 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	
		2013	2012
ASSETS	Notes		
CURRENT ASSETS			
Cash in hand and at bank	C	\$ 34,274,041	\$ 34,957,661
Accounts receivable and prepayments	D	17,432,813	10,617,534
Inventory	E	1,545,076	455,220
TOTAL CURRENT ASSETS		53,251,930	46,030,415
NON-CURRENT ASSETS			
Property, plant and equipment	F	49,647,265	47,255,739
Motor vehicle loans due after one year		149,053	121,307
TOTAL NON-CURRENT ASSETS		49,796,318	47,377,046
TOTAL ASSETS		\$ 103,048,248	\$ 93,407,461

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

Director *Roman*

Director *[Signature]*

		September 30	
		2013	2012
LIABILITIES AND EQUITY	Notes		
CURRENT LIABILITIES			
Accounts payable and accruals	G	\$ 4,154,780	\$ 3,441,978
Refundable deposits	M	19,317	19,317
TOTAL CURRENT LIABILITIES		<u>4,174,097</u>	<u>3,461,295</u>
NON-CURRENT LIABILITIES			
Pension liability	H	50,295,000	32,648,000
TOTAL NON-CURRENT LIABILITIES		<u>50,295,000</u>	<u>32,648,000</u>
EQUITY			
Originating capital fund	I	16,901,778	16,901,778
Accumulated surplus		31,677,373	40,396,388
		<u>48,579,151</u>	<u>57,298,166</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 103,048,248</u>	<u>\$ 93,407,461</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

		Year ended September 30	
		2013	2012
Income	Notes		
Government subventions		\$ 167,947,941	\$ 172,154,373
Other income	J	965,360	844,817
		<u>168,913,301</u>	<u>172,999,190</u>
TOTAL INCOME		\$ 168,913,301	\$ 172,999,190
Expenditure			
Audit fees		150,000	150,000
Bank charges		26,906	30,176
Contract consulting fees		13,105,830	19,619,815
Depreciation		9,479,294	11,870,711
Development programme		5,617,468	5,985,864
Electricity		3,381,921	3,483,071
Hosting conferences and seminars		664,973	894,620
Insurance		2,663,143	2,681,110
Books and periodicals		2,975,652	4,812,990
Materials and supplies		610,830	502,207
Office stationery and supplies		862,184	1,626,637
Other minor equipment		77,397	137,457
Pension		31,290,025	11,107,655
Promotion, publicity and printing		1,995,884	1,435,322
Rates and taxes		179,258	53,452
Rental of premises		2,174,982	2,050,919
Repairs and maintenance		12,726,471	8,763,687
Remuneration of Board of Directors		558,019	532,743
Salaries and wages		83,589,102	79,045,199
Telephone and communication		3,436,829	2,766,260
Training		1,044,325	1,072,451
Travelling		1,071,077	831,312
Uniforms		43,963	45,811
		<u>177,725,533</u>	<u>159,499,469</u>
		<u>177,725,533</u>	<u>159,499,469</u>
SURPLUS/(DEFICIT) FOR THE YEAR		\$ (8,812,232)	\$ 13,499,721

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, 2013			
Balance at beginning of year	\$ 40,396,388	\$ 16,901,778	\$ 57,298,166
Deficit for the year	(8,812,232)	-	(8,812,232)
Adjustments (Note P)	93,217	-	93,217
Balance at end of year	<u>\$ 31,677,373</u>	<u>\$ 16,901,778</u>	<u>\$ 48,579,151</u>
Year ended September 30, 2012			
Balance at beginning of year	\$ 26,896,667	\$ 16,901,778	\$ 43,798,445
Surplus for the year	13,499,721	-	13,499,721
Balance at end of year	<u>\$ 40,396,388</u>	<u>\$ 16,901,778</u>	<u>\$ 57,298,166</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	
	2013	2012
OPERATING ACTIVITIES		
Net surplus/(deficit) for the year	\$ (8,812,232)	\$ 13,499,721
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	9,479,294	11,870,711
Adjustments to reserve fund	93,217	-
Changes to operating assets and liabilities:		
Increase in accounts receivable and prepayments	(6,815,279)	(5,488,601)
Increase in inventory	(1,089,856)	(144,563)
Increase in accounts payable and accruals	712,802	519,126
Increase/(decrease) in pension liabilities	17,647,000	(4,628,000)
NET CASH USED IN OPERATING ACTIVITIES	<u>11,214,946</u>	<u>15,628,394</u>
INVESTING ACTIVITIES		
Increase/(decrease) in motor vehicles loans	(27,746)	272,213
Purchase of property, plant and equipment	(11,870,820)	(13,501,707)
NET CASH USED IN INVESTING ACTIVITIES	<u>(11,898,566)</u>	<u>(13,229,494)</u>
INCREASE/(DECREASE) IN CASH	(683,620)	2,398,900
Cash and cash equivalents at beginning of year	34,957,661	32,558,761
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 34,274,041</u>	<u>\$ 34,957,661</u>
Represented by:		
Cash in hand	\$ 3,000	\$ 1,300
Cash at bank	34,271,041	34,956,361
	<u>\$ 34,274,041</u>	<u>\$ 34,957,661</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, 2013

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, 2013

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, 2013

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, 2013

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, 2013

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>2013</u>	<u>2012</u>
Cash in hand	\$ 3,000	\$ 1,300
Cash at bank	34,271,041	34,956,361
	<u>\$ 34,274,041</u>	<u>\$ 34,957,661</u>

NOTE D - ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<u>2013</u>	<u>2012</u>
Trade receivables	\$ 2,346	\$ 2,346
Provision for doubtful debts	(95,112)	(95,112)
Prepayments	2,574,091	1,720,776
Employees loans and overpayments	1,584,448	1,344,346
Value Added Tax refundable	13,249,923	7,542,599
Motor vehicle loans	108,633	95,837
Other	1,160	1,200
Rent receivable	7,324	5,542
	<u>\$ 17,432,813</u>	<u>\$ 10,617,534</u>

NOTE E - INVENTORY

	<u>2013</u>	<u>2012</u>
Inks	\$ 183,034	\$ 43,867
Stationery	1,057,854	124,707
Cleaning supplies	74,634	249,685
Kitchen supplies	16,548	36,961
Miscellaneous	213,006	-
	<u>\$ 1,545,076</u>	<u>\$ 455,220</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2013

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 And Other Minor Equipment</u>	<u>Conservation Lab Equipment</u>	<u>Total 2013</u>	<u>Total 2012</u>
Cost														
At beginning of year	\$ 3,000,000	\$ 3,460,008	\$ 1,395,141	\$ 2,844,159	\$ 3,796,640	\$ 4,609,124	\$ 77,865,268	\$ 14,262,206	\$ 4,932,515	\$ 12,397,017	\$ 8,528,571	\$ 667,288	\$ 137,757,937	\$ 124,256,230
Additions	-	-	-	-	67,900	303,311	6,038,867	2,072,613	130,105	2,851,464	280,779	125,781	11,870,820	13,501,707
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>\$ 3,864,540</u>	<u>\$ 4,912,435</u>	<u>\$ 83,904,135</u>	<u>\$ 16,334,819</u>	<u>\$ 5,062,620</u>	<u>\$ 15,248,481</u>	<u>\$ 8,809,350</u>	<u>\$ 793,069</u>	<u>\$ 149,628,757</u>	<u>\$ 137,757,937</u>
Accumulated Depreciation														
At beginning of year	\$ -	\$ -	\$ 192,748	\$ 2,313,208	\$ 3,790,983	\$ 2,246,536	\$ 63,694,439	\$ 11,525,347	\$ 3,606,153	\$ -	\$ 2,851,192	\$ 281,592	\$ 90,502,198	\$ 78,631,487
Charge for the year	-	-	13,711	85,103	39,605	367,454	5,890,331	1,731,670	517,755	-	687,769	145,896	9,479,294	11,870,711
At end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,459</u>	<u>\$ 2,398,311</u>	<u>\$ 3,830,588</u>	<u>\$ 2,613,990</u>	<u>\$ 69,584,770</u>	<u>\$ 13,257,017</u>	<u>\$ 4,123,908</u>	<u>\$ -</u>	<u>\$ 3,538,961</u>	<u>\$ 427,488</u>	<u>\$ 99,981,492</u>	<u>\$ 90,502,198</u>
Net Book Value	<u>\$ 3,000,000</u>	<u>\$ 3,460,008</u>	<u>\$ 1,188,682</u>	<u>\$ 445,848</u>	<u>\$ 33,952</u>	<u>\$ 2,298,445</u>	<u>\$ 14,319,365</u>	<u>\$ 3,077,802</u>	<u>\$ 938,712</u>	<u>\$ 15,248,481</u>	<u>\$ 5,270,389</u>	<u>\$ 365,581</u>	<u>\$ 49,647,265</u>	<u>\$ 47,255,739</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2013

NOTE G - ACCOUNTS PAYABLE AND ACCRUALS

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

	<u>2013</u>	<u>2012</u>
Accounts payable	\$ 3,151,783	\$ 2,496,833
Audit fees	425,000	275,000
Staledated cheques	574,601	578,774
UNESCO	(3,197)	67,557
One Book One Community	-	20,774
PAHO Digitization	-	3,040
American Grant NLB	6,593	-
	<u>\$ 4,154,780</u>	<u>\$ 3,441,978</u>

NOTE H - PENSION LIABILITIES

	<u>2013</u>	<u>2012</u>
Provision for pension	\$ 50,295,000	\$ 32,648,000

(a) Change in Defined Benefit Obligation

Defined benefit obligation at 1 st October	\$ 105,253,000	\$ 70,406,000
Interest cost	5,242,000	4,554,000
Service cost	13,211,000	8,707,000
Actuarial loss	8,288,000	19,970,000
Benefit paid	(821,000)	(714,000)
Members' contribution	3,197,000	2,986,000
Expense allowance	(729,000)	(656,000)
Past Service Cost	14,793,000	-
Defined benefit obligation at 30 th September	<u>\$ 148,434,000</u>	<u>\$ 105,253,000</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2013

NOTE H - PENSION LIABILITIES - (Continued)

	<u>2013</u>	<u>2012</u>
(b) Change in Plan Assets		
Balance at 1 st October	\$ 49,807,000	\$ 32,334,000
Expected return on plan assets	2,866,000	2,641,000
Actuarial loss	(1,570,000)	(2,032,000)
Employer's contributions	13,551,000	15,248,000
Members' contributions	3,197,000	2,986,000
Benefit paid	(821,000)	(714,000)
Expense allowance	(729,000)	(656,000)
	<u>66,301,000</u>	<u>49,807,000</u>
Balance at 30 th September	\$ <u>66,301,000</u>	\$ <u>49,807,000</u>
(c) Items for inclusion in Statement of Financial Position		
Defined benefits obligation	\$ 148,434,000	\$ 105,253,000
Fair value of plan assets	(66,301,000)	(49,807,000)
	<u>82,133,000</u>	<u>55,446,000</u>
Deficit	82,133,000	55,446,000
Unrecognized loss	(31,838,000)	(22,798,000)
	<u>50,295,000</u>	<u>32,648,000</u>
Net IAS 19 defined benefit liability	\$ <u>50,295,000</u>	\$ <u>32,648,000</u>
(d) Items for inclusion in Revenue Accounts		
Current service cost	\$ 13,211,000	\$ 8,707,000
Expected return on plan assets	(2,866,000)	(2,641,000)
Interest on defined benefit obligation	5,242,000	4,554,000
Amortized cost (gains)/loss	818,000	-
Past service cost	14,793,000	-
	<u>31,198,000</u>	<u>10,620,000</u>
Net IAS 19 Pension expense	\$ <u>31,198,000</u>	\$ <u>10,620,000</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2013

NOTE H - PENSION LIABILITIES - (Continued)

	<u>2013</u>	<u>2012</u>
(e) Reconciliation of Opening and Closing balance sheet entries		
Opening defined benefit liability	\$ 32,648,000	\$ 37,276,000
Net pension cost	31,198,000	10,620,000
Contributions paid	<u>(13,551,000)</u>	<u>(15,248,000)</u>
Closing defined benefit liability	<u>\$ 50,295,000</u>	<u>\$ 32,648,000</u>
(f) Actual return on plan assets		
Expected return on plan assets	\$ 2,866,000	\$ 2,641,000
Actuarial loss on plan assets	<u>(1,570,000)</u>	<u>(2,032,000)</u>
Actual return on plan assets	<u>\$ 1,296,000</u>	<u>\$ 609,000</u>
(g) Experience History		
Defined benefit obligation	\$ 148,434,000	\$ 105,253,000
Fair value of plan assets	<u>(66,301,000)</u>	<u>(49,807,000)</u>
Plan deficit	<u>\$ 82,133,000</u>	<u>\$ 55,446,000</u>
Experience loss on plan liabilities	\$ 8,288,000	\$ (19,970,000)
Experience loss on plan assets	<u>(1,570,000)</u>	<u>(2,032,000)</u>

(h) NALIS expects to contribute \$12.2 million to its defined benefit plan in 2013/2014.

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2013

NOTE H - PENSION LIABILITIES - (Continued)

	<u>2013</u> %	<u>2012</u> %
(i) Summary of Principal Assumptions as at September 30		
Discount rate	5.0	5.0
Salary increases:		
General salary increases	3.0	3.0
Promotional salary increases	1.0	1.0
Total salary increases	4.0	4.0
Increases in Government Minimum Pension	N/A	2.5
Expected return on assets	5.0	5.0
	<u>2013</u> %	<u>2012</u> %
(j) Assets allocation as at September 30		
Equity securities	20	-
Debt securities	10	-
Cash and short-term investments	70	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 were:

	<u>2013</u>	<u>2012</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, 2013

NOTE J - OTHER INCOME

	<u>2013</u>	<u>2012</u>
Rental	\$ 227,833	\$ 142,220
Photocopy services	72,372	116,418
Interest	109,089	94,057
Donation	54,529	59,750
Fines	48,628	66,592
Lost books	12,329	14,027
Miscellaneous	173,331	60,969
Income from Branches	267,249	290,784
	<u>\$ 965,360</u>	<u>\$ 844,817</u>

NOTE K - PERSONNEL EXPENDITURE

	<u>2013</u>	<u>2012</u>
Salaries and cost of living allowances	\$ 78,211,208	\$ 74,366,842
Wages and cost of living allowances	50,055	47,840
Contribution to National Insurance	5,327,839	4,630,517
	<u>\$ 83,589,102</u>	<u>\$ 79,045,199</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, 2013

NOTE M - REFUNDABLE EXPENDITURE

	<u>2013</u>	<u>2012</u>
Refundable deposits	\$ <u>19,317</u>	\$ <u>19,317</u>

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

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 December 31, 2013 are as follows:

Project	Remaining Commitment
Construction of Chaguanas Library	\$ 37,897,925
Construction of Couva Library	4,713,513
Construction of Toco Library	20,724,725
Construction of Mayaro Library	7,489,828
Construction of Siparia Library	20,912,837
Restoration of Heritage Library	<u>32,340,875</u>
	<u>\$ 124,079,703</u>

Other Capital Commitments

The Authority also has a commitment of \$1.3M that is payable on a Mobile Library that was ordered from a foreign supplier.

The funding for this acquisition is also being provided by the Government of Trinidad and Tobago under the Public Sector Investment Programme.

NOTES TO FINANCIAL STATEMENTS - (Continued)

(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2013

NOTE O - CONTINGENT LIABILITIES**Operating lease commitments**

The organization as a lessee:

It is organization 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 company had outstanding commitments which fall due as follows:

	<u>2013</u>	<u>2012</u>
<i>Within one year:</i>		
Rent/Lease - Office Accommodation & Storage	\$ 3,614,299	\$ 2,174,982
Rent/Lease - Equipment	1,685,711	1,514,086
	<u>\$ 5,300,010</u>	<u>\$ 3,689,068</u>

The organization does not sub-lease any of its leased premises. Lease payments recognized in profit for the period amounted to \$3,689,068 (2012: \$3,480,376).

NOTE P - OTHER ADJUSTMENTS

	<u>2013</u>	<u>2012</u>
Write-back of staledated cheques	\$ 75,726	\$ -
Prior year adjustments	17,491	-
	<u>\$ 93,217</u>	<u>\$ -</u>