



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, 2015

The accompanying Financial Statements of the National Library and Information System Authority for the year ended September 30, 2015 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2015, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Cash Flows for the year ended September 30, 2015, Accounting Policies and Explanatory Notes to the Financial Statements labelled A to P.

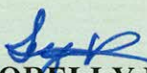
2. The audit was conducted by a firm of Accountants appointed by the Auditor General in accordance with section 29 (3) of the National Library and Information System Act, Chapter 40:01. Their Report dated August 30th, 2019, which is attached, refers.


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, 2015

Audited Financial Statements

(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

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, 2015 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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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, 2014 and 2015 which is stated in the Statement of Financial Position at \$47,843,523 and \$43,190,294 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 have 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, 2015 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, 2014 and 2015, which are stated in the statement of financial position at \$790,453 and \$1,028,364 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, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink that reads "Baker Tilly".

August 30, 2019
PORT-OF-SPAIN

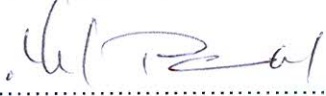
STATEMENT OF FINANCIAL POSITION
(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

			September 30	
			2015	2014
ASSETS	Notes			
CURRENT ASSETS				
Cash in hand and at bank	C	\$ 48,374,764	\$	41,856,917
Accounts receivable and prepayments	D	8,420,812		8,569,467
Inventory	E	1,028,364		790,453
TOTAL CURRENT ASSETS			<u>57,823,940</u>	<u>51,216,837</u>
NON-CURRENT ASSETS				
Property, plant and equipment	F	43,190,294		47,843,523
Motor vehicle loans due after one year		60,390		84,546
TOTAL NON-CURRENT ASSETS			<u>43,250,684</u>	<u>47,928,069</u>
TOTAL ASSETS			<u>\$ 101,074,624</u>	<u>\$ 99,144,906</u>

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

Director 

Director 

		September 30	
		2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY	Notes		
CURRENT LIABILITIES			
Accounts payable and accruals	G	\$ 6,570,342	\$ 8,075,634
Refundable deposits		19,317	19,317
TOTAL CURRENT LIABILITIES		<u>6,589,659</u>	<u>8,094,951</u>
NON-CURRENT LIABILITIES			
Pension liability	H	<u>98,764,000</u>	<u>86,898,000</u>
TOTAL NON-CURRENT LIABILITIES		98,764,000	86,898,000
EQUITY			
Originating capital fund	I	16,901,778	16,901,778
Accumulated deficit		(21,180,813)	(12,749,823)
		<u>(4,279,035)</u>	<u>4,151,955</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 101,074,624</u>	<u>\$ 99,144,906</u>

The accompanying notes on pages 8 to 23 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	
		2015	2014
Income	Notes		
Government subventions		\$ 161,271,774	\$ 177,484,526
Other income	J	592,184	755,104
TOTAL INCOME		<u>\$ 161,863,958</u>	<u>\$ 178,239,630</u>
Expenditure			
Audit fees		150,000	150,000
Bank charges		29,192	33,562
Contract consulting fees		12,447,264	11,341,288
Depreciation		7,621,201	8,979,185
Development programme		2,837,419	8,333,085
Electricity		3,343,088	3,501,476
Hosting conferences and seminars		138,447	643,067
Insurance		2,434,396	2,577,948
Books and periodicals		2,438,362	4,041,918
Materials and supplies		130,303	502,623
Office stationery and supplies		302,481	2,300,794
Other minor equipment		27,929	65,110
Pension		15,386,797	18,450,761
Promotion, publicity and printing		451,099	1,427,469
Rates and taxes		217,454	75,899
Rental of premises		4,079,243	3,614,299
Repairs and maintenance		6,953,997	7,672,404
Remuneration of Board of Directors		398,022	242,361
Salaries and wages		94,371,803	110,035,232
Telephone and communication		2,872,562	3,001,779
Training		1,795,372	863,067
Travelling		1,880,485	1,149,675
Uniforms		26,521	38,242
		<u>160,333,437</u>	<u>189,041,244</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		1,530,521	(10,801,614)
OTHER COMPREHENSIVE INCOME			
Remeasurement of pension liabilities		(10,118,000)	(1,819,000)
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		<u>\$ (8,587,479)</u>	<u>\$ (12,620,614)</u>

The accompanying notes on pages 8 to 23 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, 2015			
Balance at beginning of year	\$ (12,749,823)	\$ 16,901,778	\$ 4,151,955
Surplus for the year	1,530,521	-	1,530,521
Adjustments - Note P	(9,961,511)	-	(9,961,511)
Balance at end of year	<u>\$ (21,180,813)</u>	<u>\$ 16,901,778</u>	<u>\$ (4,279,035)</u>
Year ended September 30, 2014			
Balance at beginning of year	\$ (160,627)	\$ 16,901,778	\$ 16,741,151
Deficit for the year	(10,801,614)	-	(10,801,614)
Adjustments - Note P	(1,787,582)	-	(1,787,582)
Balance at end of year	<u>\$ (12,749,823)</u>	<u>\$ 16,901,778</u>	<u>\$ 4,151,955</u>

The accompanying notes on pages 8 to 23 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	
	2015	2014
OPERATING ACTIVITIES		
Net surplus/(deficit) for the year	\$ 1,530,521	\$ (10,801,614)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,621,201	8,979,185
Adjustments to reserve fund	(9,961,511)	(1,787,582)
Changes to operating assets and liabilities:		
Decrease in accounts receivable and prepayments	148,655	8,863,346
(Increase)/decrease in inventory	(237,911)	754,623
Increase in accounts payable and accruals	(1,505,292)	3,920,854
Increase in pension liabilities	11,866,000	4,765,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	9,461,663	14,693,812
INVESTING ACTIVITIES		
Decrease in motor vehicles loans	24,156	64,507
Purchase of property, plant and equipment	(2,967,972)	(7,175,443)
NET CASH USED IN INVESTING ACTIVITIES	(2,943,816)	(7,110,936)
INCREASE IN CASH	6,517,847	7,582,876
Cash and cash equivalents at beginning of year	41,856,917	34,274,041
CASH AND CASH EQUIVALENTS AT END OF YEAR	48,374,764	41,856,917
Represented by:		
Cash in hand	3,000	3,000
Cash at bank	48,371,764	41,853,917
	\$ 48,374,764	\$ 41,856,917

The accompanying notes on pages 8 to 23 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, 2015

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 - Revenues are recognized upon delivery of products and customer acceptance, if any, or the performance of services. It is measured at the fair value of the amount receivable net of sales taxes and discounts.

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, 2015

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, 2015

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, 2015

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.

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>2015</u>	<u>2014</u>
Cash in hand	\$ 3,000	\$ 3,000
Cash at bank	48,371,764	41,853,917
	<u>\$ 48,374,764</u>	<u>\$ 41,856,917</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

NOTE D - ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<u>2015</u>	<u>2014</u>
Trade receivables	\$ 2,346	\$ 2,346
Provision for doubtful debts	(95,112)	(95,112)
Prepayments	2,818,077	2,909,263
Overpayments	1,437,288	1,199,212
Value Added Tax refundable	4,208,507	4,477,003
Motor vehicle loans	25,427	67,683
Other	1,087	1,118
Rent receivable	23,192	7,954
	<u>\$ 8,420,812</u>	<u>\$ 8,569,467</u>

NOTE E - INVENTORY

	<u>2015</u>	<u>2014</u>
Inks	\$ 492,187	\$ 319,354
Stationery	267,958	220,626
Cleaning supplies	172,252	13,928
Kitchen supplies	84,771	87,002
Miscellaneous	11,196	149,543
	<u>\$ 1,028,364</u>	<u>\$ 790,453</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

NOTE F - PROPERTY, PLANT AND EQUIPMENT

	Artwork	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Furniture, Fixtures & Equipment	Books	Computers & Machines	Motor Vehicles	DP New Libraries	Office Equipment And Other Minor Equipment	Conservation Lab Equipment	Total 2015	Re-stated 2014
Cost														
At beginning of year	\$ 3,000,000	\$ 3,460,008	\$ 1,395,141	\$ 2,844,159	\$ 4,245,267	\$ 5,891,470	\$ 86,073,850	\$ 17,525,628	\$ 5,832,873	\$ 16,732,130	\$ 8,966,368	\$ 837,306	\$ 156,804,200	\$ 149,628,757
Additions	-	-	-	-	112,470	375,683	453,991	490,382	906,241	476,611	152,594	-	2,967,972	7,175,443
At end of year	\$ 3,000,000	\$ 3,460,008	\$ 1,395,141	\$ 2,844,159	\$ 4,357,737	\$ 6,267,153	\$ 86,527,841	\$ 18,016,010	\$ 6,739,114	\$ 17,208,741	\$ 9,118,962	\$ 837,306	\$ 159,772,172	\$ 156,804,200
Accumulated Depreciation														
At beginning of year	\$ -	\$ -	\$ 220,170	\$ 2,480,937	\$ 4,054,902	\$ 3,035,422	\$ 74,676,523	\$ 15,043,794	\$ 4,659,894	\$ -	\$ 4,199,050	\$ 589,985	\$ 108,960,677	\$ 99,981,492
Charge for the Year	-	-	13,711	80,103	246,599	490,005	4,355,959	1,593,916	298,667	-	462,258	79,983	7,621,201	8,979,185
At end of year	\$ -	\$ -	\$ 233,881	\$ 2,561,040	\$ 4,301,501	\$ 3,525,427	\$ 79,032,482	\$ 16,637,710	\$ 4,958,561	\$ -	\$ 4,661,308	\$ 669,968	\$ 116,581,878	\$ 108,960,677
Net Book Value	\$ 3,000,000	\$ 3,460,008	\$ 1,161,260	\$ 283,119	\$ 56,236	\$ 2,741,726	\$ 7,495,359	\$ 1,378,300	\$ 1,780,553	\$ 17,208,741	\$ 4,457,654	\$ 167,338	\$ 43,190,294	\$ 47,843,523

NOTES TO FINANCIAL STATEMENTS - (Continued)

(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

NOTE G - ACCOUNTS PAYABLE AND ACCRUALS

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

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 4,728,367	\$ 6,809,004
Audit fees	725,000	575,000
Staledated cheques	596,775	520,499
UNESCO	104,803	(3,197)
American Grant NLB	(672)	(672)
Republic Bank - NLB Initiative	349,700	175,000
NALIS Cultural Committee Fund	2,769	-
Phoenix Park - Poetry Day Competition	63,600	-
	<u>\$ 6,570,342</u>	<u>\$ 8,075,634</u>

NOTE H - PENSION LIABILITIES

	<u>2015</u>	<u>2014</u>
Provision for pension	<u>\$ 98,764,000</u>	<u>\$ 86,898,000</u>
(a) Net Liability in Statement of Financial Position		
Present value of defined benefit obligation	\$ 203,057,000	\$ 172,644,000
Fair value assets	<u>(104,293,000)</u>	<u>(85,746,000)</u>
Deficit	<u>98,764,000</u>	<u>86,898,000</u>
Net defined benefit liability	<u>\$ 98,764,000</u>	<u>\$ 86,898,000</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

NOTE H - PENSION LIABILITIES - (Continued)

	<u>2015</u>	<u>2014</u>
(b) (i) Movement in Present Value of Defined Benefit Obligation		
Defined benefit obligation at start of year	\$ 172,644,000	\$ 148,434,000
Current service cost	13,063,000	12,402,000
Interest cost	8,990,000	7,802,000
Members' contributions	3,449,000	3,869,000
Re-measurements		
- Experience adjustments	6,942,000	995,000
Benefits Paid	(2,031,000)	(858,000)
	<hr/>	<hr/>
Defined benefit obligation at end of year	\$ 203,057,000	\$ 172,644,000
	<hr/>	<hr/>
(b) (ii) The defined Benefit Obligation is allocated between the Plan's members as follows		
- Active	87%	90%
- Deferred members	8%	8%
- Pensioners	5%	2%
The weighted average duration of the defined benefit obligation at the year end	22.5 years	23.3 years
Percentage of value of benefits for active members is vested	95%	93%
Percentage of defined benefit obligation of active members that is conditional on future salary increases.	40%	41%
(c) (i) Movement in Fair Value of Plan Assets		
Fair value of plan assets at start of year	\$ 85,746,000	\$ 66,301,000
Interest income	4,707,000	3,724,000
Return on plan assets, excluding interest income	(3,176,000)	(824,000)
NALIS' contributions	16,374,000	14,299,000
Members' contributions	3,449,000	3,869,000
Benefits paid	(2,031,000)	(858,000)
Administrative expense allowance	(776,000)	(765,000)
	<hr/>	<hr/>
Fair value of plan assets at end of year	\$ 104,293,000	\$ 85,746,000
	<hr/>	<hr/>
Actual Return on Plan Assets	\$ 1,531,000	\$ 2,900,000
	<hr/>	<hr/>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

NOTE H - PENSION LIABILITIES - (Continued)

	<u>2015</u>	<u>2014</u>
(c) (ii) Asset Allocation		
Locally listed entities	\$ 20,824,000	\$ 16,429,000
Overseas entities	14,021,000	12,183,000
TT\$ Gov't and Gov't guaranteed bonds	41,484,000	41,464,000
TT\$ corporate bonds	15,593,000	5,296,000
Cash and cash equivalents	12,371,000	10,374,000
	<hr/>	<hr/>
Fair value of plan assets at end of year	\$ 104,293,000	\$ 85,746,000
	<hr/>	<hr/>

All asset values as at 30 September 2014 and 2015 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 discontinuing expected future proceeds using a constructed yield curve.

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

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

	<u>2015</u>	<u>2014</u>
(d) Expense Recognized in Profit or Loss		
Current service cost	\$ 13,063,000	\$ 12,402,000
Net interest on net defined benefit liability	4,283,000	4,078,000
Administrative expense allowance	776,000	765,000
	<hr/>	<hr/>
Net pension cost	\$ 18,122,000	\$ 17,245,000
	<hr/>	<hr/>

NOTES TO FINANCIAL STATEMENTS - (Continued)

(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

NOTE H - PENSION LIABILITIES - (Continued)

	<u>2015</u>	<u>2014</u>
(e) Re-measurements recognized in other comprehensive income		
Experience losses	\$ 10,118,000	\$ 1,819,000
Total amount recognized in other comprehensive income	\$ 10,118,000	\$ 1,819,000
(f) Reconciliation of opening and closing statement of financial position entries		
Opening defined benefit liability at prior year end	\$ 86,898,000	\$ 82,133,000
Opening defined benefit liability	86,898,000	82,133,000
Net pension cost	18,122,000	17,245,000
Re-measurements recognized in other comprehensive income	10,118,000	1,819,000
NALIS contributions paid	(16,374,000)	(14,299,000)
	\$ 98,764,000	\$ 86,898,000
(g) Summary of Principal Assumptions as at September 30		
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	4.0	4.0
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

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

NOTE H - PENSION LIABILITIES - (Continued)

(h) Sensitivity Analysis

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

	<u>2015</u>	<u>2014</u>
1% pa increase in the discount rate	\$ (37,777,000)	\$ (33,143,000)
1% pa decrease in the discount rate	50,721,000	39,565,000
1% pa increase in the assumed rate of future salary increases	26,384,000	23,777,000
1% pa decrease in the assumed rate of future salary increases	(22,253,000)	(20,026,000)
An increase of 1 year in the assumed life expectancies	3,272,000	2,763,000

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

(i) Funding

NALIS meets the balance of the cost of funding the defined 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 during the next financial year:

	<u>2015</u>	<u>2014</u>
NALIS contributions paid in the next financial year	\$ 17,670,000	\$ 16,374,000

NOTES TO FINANCIAL STATEMENTS - (Continued)

(Expressed in Trinidad and Tobago Dollars)

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

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>2015</u>	<u>2014</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>

NOTE J - OTHER INCOME

	<u>2015</u>	<u>2014</u>
Rental	\$ 230,263	\$ 224,949
Photocopy services	33,724	42,376
Interest	117,922	199,868
Donation	(61,696)	(75,591)
Fines	39,665	43,638
Lost books	10,827	8,119
Miscellaneous	40,576	64,905
Income from Branches	180,903	246,840
	<u>\$ 592,184</u>	<u>\$ 755,104</u>

NOTE K - PERSONNEL EXPENDITURE

	<u>2015</u>	<u>2014</u>
Salaries and cost of living allowances	\$ 88,084,116	\$ 103,843,183
Wages and cost of living allowances	52,051	101,809
Contribution to National Insurance	6,235,636	6,090,240
	<u>\$ 94,371,803</u>	<u>\$ 110,035,232</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

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.

NOTE M - REFUNDABLE EXPENDITURE

	<u>2015</u>	<u>2014</u>
Refundable deposits	\$ <u>19,317</u>	\$ <u>19,317</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 December 31, 2015 are as follows:

Project	Remaining Commitment
Construction of Chaguanas Library	20,963,214
Construction of Couva Library	605,321
Construction of Toco Library	18,979,607
Construction of Mayaro Library	15,598,446
Construction of Arouca Library	17,250,000
Construction of Siparia Library	20,372,263
Restoration of Heritage Library	14,369,246
Construction of San Juan Library	24,701,730
Construction of Tunapuna Library	17,250,000
	<u>\$ 150,089,827</u>

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

NATIONAL LIBRARY AND INFORMATION SYSTEM AUTHORITY

September 30, 2015

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