



LIBRARY of PARLIAMENT
BIBLIOTHÈQUE du PARLEMENT

FINANCIAL STATEMENTS

MARCH 31, 2018

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Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2018 and all information contained in these statements rests with the management of the Library of Parliament (the "Library"). These financial statements have been prepared by management using Government of Canada accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Library's financial transactions. Financial information submitted in the preparation of the *Public Accounts of Canada*, and included in the *Library's Annual Report*, is consistent with these financial statements.

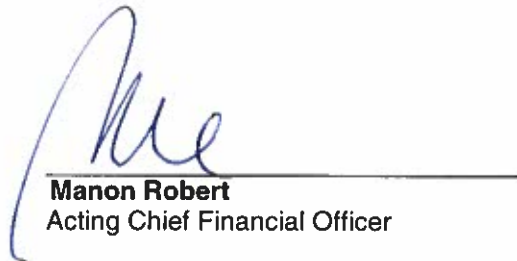
Management is also responsible for maintaining an effective system of internal control over financial reporting ("ICFR") designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Library.

At the request of management, these financial statements have been audited by EY, the independent auditors of the Library of Parliament.



Heather Lank
Parliamentary Librarian
Ottawa, Canada
August 2, 2018



Manon Robert
Acting Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Parliamentary Librarian

We have audited the accompanying financial statements of the **Library of Parliament**, which comprise the statement of financial position as at March 31, 2018, the statement of operations and net financial position, the statement of changes in net debt and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Library of Parliament** as at March 31, 2018 and the results of its operations, the change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Ottawa, Canada
August 2, 2018

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



Statement of Financial Position**As at March 31**

(in dollars)

	<u>2018</u>	<u>2017</u>
Liabilities		
Accounts payable and accrued liabilities (note 4)	4,961,954	3,769,195
Vacation pay and compensatory leave	2,439,333	2,456,909
Employee future benefits (note 5(b) and (c))	2,082,439	2,275,595
Total net liabilities	<u>9,483,726</u>	<u>8,501,699</u>
Financial assets		
Due from Consolidated Revenue Fund	3,869,223	2,702,550
Accounts receivable and advances (note 6)	1,092,731	1,066,645
Total net financial assets	<u>4,961,954</u>	<u>3,769,195</u>
The Library's net debt	<u>4,521,772</u>	<u>4,732,504</u>
Non-financial assets		
Inventory for resale	434,590	314,455
Tangible capital assets (note 7)	1,944,950	1,758,202
Total non-financial assets	<u>2,379,540</u>	<u>2,072,657</u>
The Library's net financial position	<u>2,142,232</u>	<u>2,659,847</u>
Contractual obligations (note 10)		

The accompanying notes form an integral part of these financial statements.



Heather Lank
Parliamentary Librarian
Ottawa, Canada
August 2, 2018



Manon Robert
Acting Chief Financial Officer

Statement of Operations and the Library's Net Financial Position
For the Year Ended March 31
(in dollars)

	<u>2018 Planned results</u>	<u>2018</u>	<u>2017</u>
Expenses			
Information support for Parliament	46,564,159	43,821,847	42,238,082
Governance and administrative services	13,614,130	13,580,228	11,350,460
Total expenses	<u>60,178,289</u>	<u>57,402,075</u>	<u>53,588,542</u>
Revenues			
Information support for Parliament	1,000,000	902,204	737,787
Governance and administrative services	—	44,717	562
Total revenues	<u>1,000,000</u>	<u>946,921</u>	<u>738,349</u>
Transfer to other Parliamentary entity (note 11)	<u>—</u>	<u>349,056</u>	<u>—</u>
Net cost of operations before government funding and transfers	<u>59,178,289</u>	<u>56,106,098</u>	<u>52,850,193</u>
Government funding and transfers			
Net cash provided by Government		44,316,414	42,058,066
Change in due from Consolidated Revenue Fund		1,166,673	334,463
Services provided without charge by other government departments (note 8(a))		11,140,626	10,639,586
Total government funding and transfers		<u>56,623,713</u>	<u>53,032,115</u>
Net cost of operations after government funding and transfers		(517,615)	(181,922)
The Library's net financial position – beginning of year		<u>2,659,847</u>	<u>2,841,769</u>
The Library's net financial position – end of year		<u>2,142,232</u>	<u>2,659,847</u>

Segmented information (note 9)

The accompanying notes form an integral part of these financial statements.

Statement of Change in the Library's Net Debt
For the Year Ended March 31
(in dollars)

	<u>2018</u>	<u>2017</u>
Net cost of operations after government funding and transfers	<u>(517,615)</u>	<u>(181,922)</u>
Change due to tangible capital assets		
Acquisitions of tangible capital assets	498,256	616,657
Amortization of tangible capital assets	<u>(311,508)</u>	<u>(382,158)</u>
Total change due to tangible capital assets	186,748	234,499
Change due to inventory for resale	120,135	25,175
Change due to prepaid expenses	<u>—</u>	<u>(4,696)</u>
Total changes	<u>306,883</u>	<u>254,978</u>
Net increase (decrease) in the Library's net debt	(210,732)	73,056
The Library's net debt – beginning of year	<u>4,732,504</u>	<u>4,659,448</u>
The Library's net debt – end of year	<u>4,521,772</u>	<u>4,732,504</u>

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended March 31

(in dollars)

	<u>2018</u>	<u>2017</u>
Operating activities		
Net cost of operations before government funding and transfers	56,106,098	52,850,193
Non-cash items:		
Amortization of tangible capital assets	(311,508)	(382,158)
Services provided without charge by other government departments (note 8(a))	(11,140,626)	(10,639,586)
Variations in Statement of Financial Position:		
Increase in accounts payable and accrued liabilities	(1,192,759)	(669,632)
Decrease in vacation pay and compensatory leave	17,576	(346,412)
Decrease in employee future benefits	193,156	273,356
Increase in accounts receivable and advances	26,086	335,169
Increase in prepaid expenses	—	(4,696)
Increase in inventory for resale	120,135	25,175
Cash used in operating activities	<u>43,818,158</u>	<u>41,441,409</u>
Capital investing activities		
Acquisitions of tangible capital assets	498,256	616,657
Cash used in capital investing activities	<u>498,256</u>	<u>616,657</u>
Net cash provided by Government of Canada	<u>44,316,414</u>	<u>42,058,066</u>

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements For the Year Ended March 31

1. Authority and objectives

These statements provide the financial information related to all the operations controlled by the Library of Parliament (the "Library").

Formally established under the *Parliament of Canada Act*, the Library pre-dates Confederation in its efforts to support an informed and accessible Parliament. The Library provides senators, members of Parliament, and parliamentary committees with the independent, non-partisan information they need to examine the issues of the day, consider legislation and hold the government accountable. It preserves Parliament's rich documentary heritage while optimizing access to its important collections. It also welcomes hundreds of thousands of visitors to Parliament each year, and offers interpretive tours and educational programs and products to help the public understand Parliament's role in our democratic system and the important work parliamentarians do.

The activities of the Library can be summarized as follows:

Information support for Parliament – To provide parliamentarians with information, documentation, research and analysis services to help them fulfill their roles as legislators and representatives and to support them in their efforts to make Parliament and information about Parliament accessible to the public.

Governance and administrative services – Activities and resources that enable managers and employees to deliver activities and programs for and about Parliament.

Notes to the Financial Statements

For the Year Ended March 31

2. Summary of significant accounting policies

These financial statements have been prepared using the Government of Canada's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

- (a) *Parliamentary authorities* – The Library is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the Library does not parallel financial reporting according to Canadian generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Library's Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the basis of reporting. The planned results amounts in the "Expenses" and "Revenues" section of the Statement of Operations and the Library's Net Financial Position and in the Segmented Information (note 9) are based on the amounts in the Library's Main Estimates and have been adjusted to reflect amortization of tangible capital assets, accommodation expense, health and dental benefits expenses and sick leave benefits, which are not included in the Main Estimates. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and the Library's Net Financial Position or in the Statement of Change in the Library's Net Debt because these amounts were not included in the Main Estimates.
- (b) *Net cash provided by government* – The Library operates within the Consolidated Revenue Fund (the "CRF"), which is administered by the Receiver General for Canada. All cash received by the Library is deposited to the CRF, and all cash disbursements made by the Library are paid from the CRF. The net cash provided from the CRF is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government.
- (c) *Amounts due from the Consolidated Revenue Fund* – Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Library is entitled to draw from the CRF without further appropriations to discharge its liabilities.
- (d) *Revenues* – Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenues takes place.
- (e) *Expenses* – Expenses are recorded on the accrual basis:
 - i. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
 - ii. Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

Notes to the Financial Statements

For the Year Ended March 31

2. Summary of significant accounting policies (continued)

(f) *Employee future benefits*

- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan (the "Plan"), a multi-employer pension plan administered by the Government of Canada. The Library's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation of the Library to the Plan. The Library's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, the Plan's sponsor.
- ii. Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the actual remaining liability for employee severance benefits for the Library as a whole.

Change in Accounting Estimate – Effective March 31, 2015, the obligation relating to the severance benefits earned by employees is calculated using information derived from the actual remaining liability for employee severance benefits for the Library as a whole.

- iii. Sick leave: Employees of the Library of Parliament are eligible to accumulate sick leave until termination of employment. Unused sick leave is not eligible for payment on retirement or termination, nor can it be used as vacation. All sick leave is an accumulating non-vesting benefit. A liability is recorded for sick leave balances expected to be taken in excess of future allotments. The cost of sick leave as well as the present value of the obligation is determined using an actuarial valuation. Any gains and losses are recognized in net results in the period in which they arise.

- (g) *Accounts receivable and advances* – Accounts receivable and advances are stated at the lower of cost and net recoverable value; a valuation allowance is recorded for receivables where recovery is considered uncertain.
- (h) *Inventory for resale* – Inventory is held for resale and is valued at the lower of cost and net realizable value on a first-in, first-out basis.
- (i) *Foreign currency transactions* – Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect at year-end.

Notes to the Financial Statements

For the Year Ended March 31

2. Summary of significant accounting policies (continued)

- (j) *Tangible capital assets* – All tangible capital assets and leasehold improvements having an initial cost of \$2,500 or more are recorded at their acquisition cost. The Library does not capitalize intangible assets, works of art and historical treasures that have cultural, aesthetic or historical value.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery and equipment	5 years
Other equipment	3 - 15 years
Computer equipment	3 years
Computer software	3 years
Leasehold improvements	over the lease term

- (k) *Collections* – Collections of books and reference materials owned by the Library are charged to expense in the year of acquisition. During the year, the Library incurred \$2,127,274 in expenditures on collections (\$2,051,170 in 2016-2017).
- (l) *Measurement uncertainty* – The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits, the liability for employee sick leave benefit and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.
- (m) *New accounting standards* – The Public Sector Accounting Board issued new accounting standards on related party transactions effective for fiscal years beginning on or after April 1, 2017. The Library has reviewed these new standards and determined that they do not have a financial statement impact and no additional note disclosures are required related to these standards. The first accounting standard (PS 3420) deals with inter-entity transactions. This new section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Other new accounting standards include Related Party Disclosures (PS 2200), Contingent Assets (PS 3320) and Contractual Rights (PS 3380). These new accounting standards affect only note disclosures.

Notes to the Financial Statements

For the Year Ended March 31

3. Parliamentary authorities

The Library receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and the Library's Net Financial Position and in the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Library has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

	<u>2018</u>	<u>2017</u>
	(in dollars)	
Net cost of operations before government funding and transfers	<u>56,106,098</u>	<u>52,850,193</u>
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(311,508)	(382,158)
Services provided without charge by other government departments	(11,140,626)	(10,639,586)
Decrease (increase) in vacation pay and compensatory leave	17,576	(346,412)
Decrease in employee future benefits	193,156	273,356
Revenue not available for spending	2,405	10,475
Refund of prior year's expenditures	<u>125,372</u>	<u>27,419</u>
Total items affecting net cost of operations but not affecting authorities	<u>(11,113,625)</u>	<u>(11,056,906)</u>
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	498,256	616,657
Loans issued on behalf of Government	21,248	10,683
Decrease in prepaid expenses	—	(4,696)
Proceeds from disposal of tangible capital assets	—	562
Increase in inventory for resale	<u>120,135</u>	<u>25,175</u>
Total items not affecting net cost of operations but affecting authorities	<u>639,639</u>	<u>648,381</u>
Current year authorities used	<u>45,632,112</u>	<u>42,441,668</u>

Notes to the Financial Statements

For the Year Ended March 31

3. Parliamentary authorities (continued)

(b) Authorities provided and used

	<u>2018</u>	<u>2017</u>
	(in dollars)	
Authorities provided:		
Vote 10 – Operating expenditures	43,754,877	37,899,035
Statutory amounts	4,519,938	4,569,814
Less:		
Lapsed: Operating	(2,642,703)	(27,181)
Current year authorities used	<u>45,632,112</u>	<u>42,441,668</u>

Notes to the Financial Statements

For the Year Ended March 31

4. Accounts payable and accrued liabilities

The following table presents details of the Library's accounts payable and accrued liabilities:

	<u>2018</u>	<u>2017</u>
	(in dollars)	
Accounts payable – Other government departments and agencies	821,259	207,387
Accounts payable – External parties	<u>1,164,647</u>	<u>996,010</u>
Total accounts payable	1,985,906	1,203,397
Accrued liabilities	<u>2,976,048</u>	<u>2,565,798</u>
Total accounts payable and accrued liabilities	<u>4,961,954</u>	<u>3,769,195</u>

Notes to the Financial Statements

For the Year Ended March 31

5. Employee future benefits

(a) Pension benefits: The Library's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and the Library contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to *Economic Action Plan 2012*, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012, and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2017-2018 expense amounts to \$3,078,078 (\$3,183,789 in 2016-2017). For Group 1 members, the expense represents approximately 1.01 times (1.12 times in 2016-2017) the employee contributions and, for Group 2 members, approximately 1.00 times (1.08 times in 2016-2017) the employee contributions.

The Library's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Financial Statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Library provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Information about the severance benefits, measured as at March 31, is as follows:

	2018	2017
	(in dollars)	
Accrued benefit obligation – Beginning of year	1,218,595	1,531,951
Expense/Recovery for the year	(171,850)	(10,440)
Benefits paid during the year	(116,671)	(302,916)
Accrued benefit obligation – End of year	930,074	1,218,595

As part of collective agreement negotiations with all employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

Notes to the Financial Statements

For the Year Ended March 31

5. Employee future benefits (continued)

(c) Sick leave benefit: The Library provides benefits for sick leave to its eligible employees consisting of one and one-quarter (1 ¼) days of sick leave per calendar month. Sick leave can only be used for paid time off at the employee's normal rate of pay when the employee is unable to perform their duties because of illness or injury. Unused sick leave benefits accumulate during the employee's period of service, and no payment is due to employees upon termination of employment for unused days. Information about the sick leave benefits, measured as at March 31, is as follows:

	<u>2018</u>	<u>2017</u>
	(in dollars)	
Employee sick leave benefit obligation – beginning of year	1,057,000	1,017,000
Expense for the year		
Current service cost	184,000	184,000
Interest cost	18,000	15,000
Actuarial loss / (gain)	24,365	(32,000)
	<u>1,283,365</u>	<u>1,184,000</u>
Benefits paid during the year	(131,000)	(127,000)
Employee sick leave benefit obligation – end of year	<u>1,152,365</u>	<u>1,057,000</u>

At the end of fiscal year 2017-2018, an actuarial valuation of the Library's employee sick leave benefit obligation was completed using the projected benefit method prorated on service. The significant actuarial assumptions adopted in measuring the employee sick leave benefit obligation are as follows:

	<u>2018</u>	<u>2017</u>
Discount rate	2.10%	1.70%
Rate of compensation economic increase per year	2.40%	2.65%
Average remaining service period of active employees	<u>14.8 years</u>	<u>14.8 years</u>

Notes to the Financial Statements

For the Year Ended March 31

6. Accounts receivable and advances

The following table presents details of the Library's accounts receivable and advances balances:

	<u>2018</u>	<u>2017</u>
	(in dollars)	
Receivables – Other government departments and agencies	673,017	689,172
Receivables – External parties	396,865	365,190
Employee advances	<u>22,849</u>	<u>12,283</u>
Net accounts receivable	<u>1,092,731</u>	<u>1,066,645</u>

Notes to the Financial Statements

For the Year Ended March 31

7. Tangible capital assets

(in dollars)

Capital asset class	Cost				Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance	2018	2017
Machinery and equipment	637,837	—	—	637,837	539,638	48,526	—	588,164	49,673	98,199
Other equipment	2,797,309	3,063	—	2,800,372	1,840,523	155,730	—	1,996,253	804,119	956,786
Computer equipment	1,613,638	70,773	—	1,684,411	1,605,485	35,091	—	1,640,576	43,835	8,153
Computer software	1,664,581	—	—	1,664,581	1,528,544	68,525	—	1,597,069	67,512	136,037
Leasehold improvements	135,558	—	—	135,558	131,922	3,636	—	135,558	—	3,636
Asset under development	555,391	424,420	—	979,811	—	—	—	—	979,811	555,391
Total	7,404,314	498,256	—	7,902,570	5,646,112	311,508	—	5,957,620	1,944,950	1,758,202

Notes to the Financial Statements

For the Year Ended March 31

8. Related party transactions

The Library is related, as a result of common ownership, to all Government of Canada departments, agencies and Crown corporations. The Library enters into transactions with these entities in the normal course of business and on normal trade terms. In addition, the Library has agreements with the House of Commons related to the provision of information technology services. During the year, the Library received common services that were obtained without charge from other Government departments as presented in part (a) below.

(a) Common services provided without charge by other government departments

During the year, the Library received services without charge from certain common service organizations, related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the Library's Statement of Operations and Net Financial Position as follows:

	<u>2018</u>	<u>2017</u>
	(in dollars)	
Accommodation	8,511,001	8,017,699
Employer's contribution to health and dental insurance plan	<u>2,629,625</u>	<u>2,621,887</u>
Total	<u>11,140,626</u>	<u>10,639,586</u>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll, cheque issuance and translation services provided by Public Services and Procurement Canada ("PSPC"), are not included in the Library's Statement of Operations and the Library's Net Financial Position. In addition, the costs of maintenance, identity cards, transportation and messenger services provided by the Senate and the House of Commons are also not included in the Library's Statement of Operations and the Library's Net Financial Position.

Notes to the Financial Statements

For the Year Ended March 31

8. Related party transactions (continued)

b) Other transactions with related parties

	<u>2018</u>	<u>2017</u>
	(in dollars)	
Accounts receivable – Other government departments and agencies	673,017	689,172
Accounts payable – Other government departments and agencies	821,259	207,387
Expenses – Other government departments and agencies	5,970,336	6,452,573
Boutique Sales – Other government departments and agencies	44,717	8,312

Expenses and revenues disclosed in note 8(b) exclude common services provided without charge, which are already disclosed in note 8(a)

Notes to the Financial Statements

For the Year Ended March 31

9. Segmented information

Presentation by segment is based on the Library's program activity structure. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main program activities, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

	2018				2017
	Planned results	Information support for Parliament	Governance and administrative services	Total	Total
Expenses					
Salaries and employee benefits	41,291,043	32,059,892	7,678,768	39,738,660	37,796,260
Accommodation	8,017,699	6,842,362	1,668,639	8,511,001	8,017,699
Professional and special services	3,500,000	989,806	2,066,920	3,056,726	2,474,482
Material, equipment and supplies	4,126,341	2,186,195	1,266,289	3,452,484	2,704,715
Rentals	1,000,000	226,628	523,557	750,185	701,743
Communications, travel and relocation	775,000	364,166	233,666	597,832	555,982
Amortization of tangible capital assets	382,158	241,045	70,463	311,508	382,158
Information	650,000	384,660	54,976	439,636	521,134
Cost of goods sold	399,048	513,330	—	513,330	399,048
Repairs and maintenance	37,000	13,763	16,950	30,713	28,352
Loss on inventory write off	—	—	—	—	6,969
Total expenses	60,178,289	43,821,847	13,580,228	57,402,075	53,588,542
Revenues					
Sales of goods and information products – External entities	1,000,000	902,204	—	902,204	729,475
Sales of goods and information products – Other government departments	—	44,717	—	44,717	8,312
Proceeds from disposal of tangible capital assets	—	—	—	—	562
Total revenues	1,000,000	946,921	—	946,921	738,349
Transfer to Other Parliamentary Entity	—	349,056	—	349,056	—
Net cost from continuing operations	59,178,289	42,525,870	13,580,228	56,106,098	52,850,193

Notes to the Financial Statements

For the Year Ended March 31

10. Contractual obligations

The Library of Parliament has entered into contractual obligations. Commitments for contractual obligations are as follows:

2019	1,087,122
2020	442,331
2021	343,831
Total	<u>1,873,284</u>

11. Transfer to other parliamentary entity

The *Budget Implementation Act, 2017, No. 1* (the "Act") introduced in April 2017 amended the *Parliament of Canada Act* to provide for the Office of the Parliamentary Budget Officer ("OPBO") to report directly to Parliament and to be supported by an office that is separate from the Library. The Act received Royal Assent on June 22, 2017. With the proclamation on September 21, 2017, by the Governor in Council of the coming into force of the provisions pertaining to the OPBO, the new officer of Parliament now operates as a distinct office made under a reformed mandate. The Library transferred the following assets and liabilities to the OPBO on September 21, 2017, and these balances are therefore not included in the total assets and liabilities of the Library as at March 31, 2018.

Assets

Standing advance	<u>200</u>
Total assets transferred	<u>200</u>

Liabilities

Vacation pay and compensatory leave	167,260
Severance liability	<u>181,996</u>
Total liabilities transferred	<u>349,256</u>
Total transferred to other parliamentary entity	<u>(349,056)</u>