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LIBRARY OF PARLIAMENT  
BIBLIOTHÈQUE DU PARLEMENT

# **FINANCIAL STATEMENTS**

**MARCH 31, 2023**

## **LIBRARY OF PARLIAMENT**

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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, 2023 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 KPMG, the independent auditors of the Library of Parliament.

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**Dr. Heather P. Lank**  
Parliamentary Librarian  
Ottawa, Canada  
7 September 2023

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**JoAnne St-Gelais**  
Chief Financial Officer



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## INDEPENDENT AUDITOR'S REPORT

To the Parliamentary Librarian

### ***Opinion***

We have audited the financial statements of the Library of Parliament (the "Library"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and the Library's net financial position for the year then ended
- the statement of change in the Library's net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at March 31, 2023, and its results of operations and net financial position, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

September 7, 2023

## Statement of Financial Position

As at March 31

(in dollars)

	<u>2023</u>	<u>2022</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	3,185,261	2,744,533
Vacation pay and compensatory leave	3,038,648	2,997,860
Employee future benefits (notes 5(b) and 5(c))	<u>2,537,429</u>	<u>2,983,692</u>
<b>Total net liabilities</b>	<b><u>8,761,338</u></b>	<b><u>8,726,085</u></b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	2,248,972	1,567,875
Accounts receivable and advances (note 6)	<u>936,289</u>	<u>1,176,658</u>
<b>Total net financial assets</b>	<b><u>3,185,261</u></b>	<b><u>2,744,533</u></b>
<b>The Library's net debt</b>	<b><u>5,576,077</u></b>	<b><u>5,981,552</u></b>
<b>Non-financial assets</b>		
Prepaid expenses	1,255,826	1,404,083
Inventory for resale	370,068	458,862
Tangible capital assets (note 7)	<u>7,437,606</u>	<u>6,777,913</u>
<b>Total non-financial assets</b>	<b><u>9,063,500</u></b>	<b><u>8,640,858</u></b>
<b>The Library's net financial position</b>	<b><u>(3,487,423)</u></b>	<b><u>(2,659,306)</u></b>

Contractual obligations (note 10)

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

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**Dr. Heather P. Lank**  
Parliamentary Librarian  
Ottawa, Canada  
7 September 2023

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**JoAnne St-Gelais**  
Chief Financial Officer

## Statement of Operations and the Library's Net Financial Position

For the Year Ended March 31

(in dollars)

	<u>2023 Planned results</u>	<u>2023</u>	<u>2022</u>
<b>Expenses</b>			
Information support for Parliament	52,979,083	47,036,808	45,220,605
Governance and administrative services	<u>16,730,237</u>	<u>17,026,728</u>	<u>15,481,225</u>
<b>Total expenses</b>	<b><u>69,709,320</u></b>	<b><u>64,063,536</u></b>	<b><u>60,701,830</u></b>
<b>Revenues</b>			
Sale of goods	<u>1,000,000</u>	<u>551,189</u>	<u>78,301</u>
<b>Total revenues</b>	<b><u>1,000,000</u></b>	<b><u>551,189</u></b>	<b><u>78,301</u></b>
<b>Net cost of operations before government funding and transfers</b>	<b><u>68,709,320</u></b>	<b><u>63,512,347</u></b>	<b><u>60,623,529</u></b>
<b>Government funding and transfers</b>			
Net cash provided by Government		51,567,748	51,094,659
Increase (decrease) in amounts due from Consolidated Revenue Fund		681,097	(925,266)
Services provided without charge by other government departments (note 8(a))		12,087,722	12,048,503
Other transfers of assets and liabilities from other government departments		<u>3,897</u>	<u>(1,378)</u>
<b>Total government funding and transfers</b>		<b><u>64,340,464</u></b>	<b><u>62,216,518</u></b>
<b>Net cost of operations after government funding and transfers</b>		<b><u>(828,117)</u></b>	<b><u>(1,592,989)</u></b>
The Library's net financial position – beginning of year		<u>(2,659,306)</u>	<u>(1,066,317)</u>
<b>The Library's net financial position – end of year</b>		<b><u>(3,487,423)</u></b>	<b><u>(2,659,306)</u></b>

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>2023</u>	<u>2022</u>
<b>Net cost of operations after government funding and transfers</b>	<u>(828,117)</u>	<u>(1,592,989)</u>
<b>Change due to tangible capital assets</b>		
Acquisitions of tangible capital assets	1,547,475	1,778,578
Amortization of tangible capital assets	<u>(887,782)</u>	<u>(600,444)</u>
<b>Total change due to tangible capital assets</b>	<b>659,693</b>	<b>1,178,134</b>
Change due to inventory for resale	(88,794)	(39,152)
Change due to prepaid expenses	<u>(148,257)</u>	<u>201,514</u>
<b>Total changes</b>	<u><b>422,642</b></u>	<u><b>1,340,496</b></u>
<b>Net decrease in the Library's net debt</b>	<b>(405,475)</b>	<b>(252,493)</b>
The Library's net debt – beginning of year	<u>5,981,552</u>	<u>6,234,045</u>
<b>The Library's net debt – end of year</b>	<u><b>5,576,077</b></u>	<u><b>5,981,552</b></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>2023</u>	<u>2022</u>
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	63,512,347	60,623,529
Non-cash items:		
Amortization of tangible capital assets	(887,782)	(600,444)
Services provided without charge by other government departments (note 8(a))	(12,087,722)	(12,048,503)
Transfer of assets from other government departments	(3,897)	1,378
<b>Variations in Statement of Financial Position</b>		
Decrease (increase) in accounts payable and accrued liabilities	(440,728)	664,114
Decrease (increase) in vacation pay and compensatory leave	(40,788)	223,630
Decrease in employee future benefits	446,263	28,863
Increase (decrease) in accounts receivable and advances	(240,369)	261,152
Increase (decrease) in prepaid expenses	(148,257)	201,514
Decrease in inventory for resale	(88,794)	(39,152)
<b>Cash used in operating activities</b>	<b><u>50,020,273</u></b>	<b><u>49,316,081</u></b>
<b>Capital investing activities</b>		
Acquisitions of tangible capital assets	1,547,475	1,778,578
<b>Cash used in capital investing activities</b>	<b><u>1,547,475</u></b>	<b><u>1,778,578</u></b>
<b>Net cash provided by Government of Canada</b>	<b><u>51,567,748</u></b>	<b><u>51,094,659</u></b>

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.

**Internal 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.
- 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 \$1,035,088 in expenditures on collections (\$935,605 in 2021-2022).
- (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) *Financial instruments* – Financial instruments are recorded at fair value on initial recognition, and are subsequently recorded at cost or amortized costs unless management has elected to carry the instruments at fair value. Management has not elected to record any financial instruments at fair value.

A statement of remeasurement gains and losses is not presented in these financial statements as the Library does not have financial instruments requiring remeasurement.

- (n) *Adoption of new accounting standards* – The Library has adopted the following new public sector accounting standards in the year:

I. PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation:

On April 1, 2022, the Library adopted Public Sector Accounting Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation. These standards were adopted prospectively from the date of adoption. These new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

The implementation of these standards did not require the Library to reflect any adjustments in these financial statements other than the additional disclosure of the financial risks provided in note 11.

## Notes to the Financial Statements

### For the Year Ended March 31

#### 2. Summary of significant accounting policies (continued)

*(n) Adoption of new accounting standards (continued)*

##### II. PS 3280 – Asset Retirement Obligations:

On April 1, 2022, the Library adopted Public Sector Accounting Standards PS 3280 – Asset Retirement Obligations. This new accounting standards addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumption used in the subsequent calculations are revised yearly.

The implementation of these standards did not require the Library to reflect any adjustments in these financial statements as the Library does not have any significant legal obligations with respect to retirement of its tangible capital assets.

## 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>2023</u>	<u>2022</u>
	(in dollars)	
<b>Net cost of operations before government funding and transfers</b>	<b><u>63,512,348</u></b>	<b><u>60,623,529</u></b>
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(887,782)	(600,444)
Services provided without charge by other government departments	(12,087,722)	(12,048,503)
Decrease (increase) in vacation pay and compensatory leave	(40,788)	223,630
Decrease (increase) in employee future benefits	446,263	28,863
Revenue not available for spending	405	61
Refund of prior year's expenditures	<u>70,869</u>	<u>13,610</u>
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b><u>(12,498,755)</u></b>	<b><u>(12,382,783)</u></b>
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of capital assets	1,547,475	1,778,578
Increase (decrease) in accounts receivable and advances	29,869	9,260
Increase (decrease) in prepaid expenses	(148,257)	201,514
Increase (decrease) in inventory for resale	<u>(88,794)</u>	<u>(39,152)</u>
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b><u>1,340,293</u></b>	<b><u>1,950,200</u></b>
<b>Current year authorities used</b>	<b><u>52,353,886</u></b>	<b><u>50,190,946</u></b>



## Notes to the Financial Statements

### For the Year Ended March 31

#### 3. Parliamentary authorities (continued)

*(b) Authorities provided and used*

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Authorities provided:		
Vote 1 – Program expenditures	49,778,945	48,660,916
Statutory amounts	5,540,946	5,121,531
Less:		
Lapsed: Operating	<u>(2,966,005)</u>	<u>(3,591,501)</u>
<b>Current year authorities used</b>	<b><u>52,353,886</u></b>	<b><u>50,190,946</u></b>

## 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>2023</u>	<u>2022</u>
	(in dollars)	
Accounts payable – Other government departments and agencies	41,064	102,050
Accounts payable – External parties	<u>673,615</u>	<u>290,058</u>
Total accounts payable	<b>714,679</b>	<b>392,108</b>
Accrued liabilities	<u>2,470,582</u>	<u>2,352,425</u>
<b>Total accounts payable and accrued liabilities</b>	<b><u>3,185,261</u></b>	<b><u>2,744,533</u></b>

## 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 2022-2023 expense amounts to \$3,619,900 (\$3,460,107 in 2021-2022). For Group 1 members, the expense represents approximately 1.02 times (1.01 times in 2021-2022) the employee contributions, and for Group 2 members, approximately 1.00 times (1.00 times in 2021-2022) the employee contributions.

The Library's responsibility in regards 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:

	<u>2023</u>	<u>2022</u>
	(in dollars)	
<b>Accrued benefit obligation – Beginning of year</b>	<b>541,792</b>	<b>570,255</b>
Expense for the year	19,465	10,232
Benefits paid during the year	<u>(148,028)</u>	<u>(38,695)</u>
<b>Accrued benefit obligation – End of year</b>	<b><u>413,229</u></b>	<b><u>541,792</u></b>

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 benefits:** The Library provides benefits for sick leave to its eligible employees consisting of one and one-quarter days (1¼ / 8.75 hours) 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>2023</u>	<u>2022</u>
	(in dollars)	
<b>Employee sick leave benefit obligation – beginning of year</b>	<b>2,441,900</b>	<b>2,442,300</b>
Expense for the year		
Current service cost	357,200	389,600
Interest cost	64,400	42,900
Actuarial loss (gain)	(508,900)	(130,500)
	<u>2,354,600</u>	<u>2,744,300</u>
Benefits paid during the year	(230,400)	(302,400)
<b>Employee sick leave benefit obligation – end of year</b>	<b><u>2,124,200</u></b>	<b><u>2,441,900</u></b>

The latest actuarial valuation of the Library's employee sick leave benefit obligation was completed on March 31, 2023. The valuation was performed using the projected benefit method, prorated on service. The next actuarial valuation will be completed on March 31, 2026, at the latest. The significant actuarial assumptions adopted in measuring the employee sick leave benefit obligation are as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	2.40%	1.60%
Rate of compensation economic increase per year	2.40%	2.40%
Average remaining service period of active employees	<u>14.6 years</u>	<u>14.3 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>2023</u>	<u>2022</u>
	(in dollars)	
Receivables – Other government departments and agencies	889,268	1,088,920
Receivables – External parties	<u>47,021</u>	<u>87,738</u>
<b>Accounts receivable and advances</b>	<b><u>936,289</u></b>	<b><u>1,176,658</u></b>

## 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	Adjustments	Disposals and write-off	Closing balance	Opening balance	Amortization	Disposals and write-off	Closing balance	2023	2022
<b>Machinery and equipment</b>	498,388	–	2,561,000	–	3,059,388	463,041	230,993	–	694,034	2,365,354	35,347
<b>Other equipment</b>	2,527,457	60,060	–	–	2,587,517	2,077,029	150,737	–	2,227,766	359,751	450,428
<b>Computer equipment</b>	2,035,216	156,571	–	(162,180)	2,029,607	1,132,639	467,771	(162,180)	1,438,230	591,377	902,577
<b>Computer Software</b>	1,894,166	–	–	–	1,894,166	1,785,702	38,281	–	1,823,983	70,183	108,464
<b>Leasehold improvements</b>	135,558	–	–	–	135,558	135,558	–	–	135,558	–	–
<b>Asset under development</b>	5,281,097	1,330,844	(2,561,000)	–	4,050,941	–	–	–	–	4,050,941	5,281,097
<b>Total</b>	<b>12,371,882</b>	<b>1,547,475</b>	<b>–</b>	<b>(162,180)</b>	<b>13,757,177</b>	<b>5,593,969</b>	<b>887,782</b>	<b>(162,180)</b>	<b>6,319,571</b>	<b>7,437,606</b>	<b>6,777,913</b>

## 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>2023</u>	<u>2022</u>
	(in dollars)	
Accommodation	8,645,354	8,616,660
Employer's contribution to health and dental insurance plan	<u>3,442,368</u>	<u>3,431,843</u>
<b>Total</b>	<b><u>12,087,722</u></b>	<b><u>12,048,503</u></b>

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.

##### (b) Other transactions with related parties

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Accounts receivable – Other government departments and agencies	889,268	1,088,920
Accounts payable – Other government departments and agencies	41,064	102,050
Expenses – Other government departments and agencies	5,420,132	5,257,650
Boutique Sales – Other government departments and agencies	7,616	3,898

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

(in dollars)

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:

	2023			2022	
	Planned results	Governance and administration services	Information support for Parliament	Total	Total
<b>Expenses</b>					
Salaries and employee benefits	49,861,904	11,331,865	36,266,152	47,598,017	45,028,537
Accommodation	8,524,915	2,082,797	6,562,557	8,645,354	8,616,660
Professional and special services	2,913,458	459,333	299,109	758,442	772,677
Material, equipment and supplies	4,216,741	201,551	3,186,122	3,387,673	3,201,771
Rentals	1,125,962	368,764	124,600	493,364	704,889
Communications, travel and relocation	609,017	82,185	116,084	198,269	194,262
Amortization of tangible capital assets	600,444	887,782	–	887,782	600,444
Information	1,523,300	1,572,742	188,296	1,761,038	1,499,404
Cost of goods sold	317,079	–	292,489	292,489	39,153
Repairs and maintenance	16,500	39,709	1,399	41,108	44,033
<b>Total expenses</b>	<b>69,709,320</b>	<b>17,026,728</b>	<b>47,036,808</b>	<b>64,063,536</b>	<b>60,701,830</b>
<b>Revenues</b>					
Sale of goods	1,000,000	551,188	–	551,188	78,301
<b>Total revenues</b>	<b>1,000,000</b>	<b>551,188</b>	<b>–</b>	<b>551,188</b>	<b>78,301</b>
<b>Net cost from continuing operations</b>	<b>68,709,320</b>	<b>16,475,540</b>	<b>47,036,808</b>	<b>63,512,348</b>	<b>60,623,529</b>



## Notes to the Financial Statements

### For the Year Ended March 31

#### 10. Contractual obligations

(in dollars)

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

2024	2,655,893
2025	395,185
2026	282,561
<b>Total</b>	<b><u>3,333,639</u></b>

#### 11. Financial risks:

The Library is subject to the following financial risks from its financial instruments:

(a) Credit risk:

Credit risk refers to the risk that the counterparty to a financial instrument will cause a financial loss to the Library by failing to discharge an obligation. The Library is exposed to credit risk relating to its accounts receivable and advances disclosed in note 6, which are due mostly from federal government departments, agencies and Crown corporations and external parties. Management believes that these balances do not have significant credit risk.

(b) Liquidity risk:

Liquidity risk refers to the risk that the Library will encounter difficulty in meeting its obligations associated with its financial liabilities. The Library receives annual Parliamentary authorities. The Library manages liquidity risk by ensuring that the total annual expenditures are within these authorities, as disclosed in note 3(b).

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest risk, and other price risk. The Library's financial instruments are not subject to significant market risk as it does not hold investments, debt or foreign currency.

The Library's financial risks, and the process to manage these risks, have not changed significantly from the prior year.