

WHEATLAND REGIONAL LIBRARY
Consolidated Financial Statements
Year Ended December 31, 2010

WHEATLAND REGIONAL LIBRARY
Index to Consolidated Financial Statements
Year Ended December 31, 2010

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Assets	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 11
Consolidated Schedule of Administration Expenses (<i>Schedule 1</i>)	12
Consolidated Schedule of Governance Expenses (<i>Schedule 2</i>)	13
Consolidated Schedule of Services to Branches Expenses (<i>Schedule 3</i>)	14
Consolidated Schedule of Library Materials Expenditures (<i>Schedule 4</i>)	15
Consolidated Schedule of Saskatchewan Information & Library Services Consortium Revenue and Expenses (<i>Schedule 5</i>)	16
Consolidated Summary of Expenditures by Object (<i>Schedule 6</i>)	17

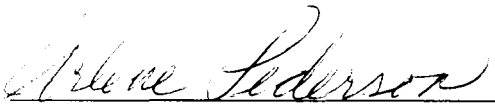
Management's Responsibility for Financial Reporting

The consolidated financial statements of Wheatland Regional Library have been prepared in accordance with generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

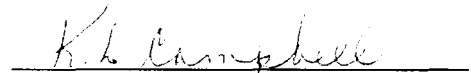
The integrity and reliability of Wheatland Regional Library 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the shareholders' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the shareholders by C.S. Skrupski Certified General Accountant Professional Corporation, in accordance with generally accepted auditing standards.



Arlene Pederson, Chairperson



Kae Campbell, Audit Committee

Saskatoon, Saskatchewan
March 13, 2011

C.S. Skrupski
Certified General Accountant
Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Wheatland Regional Library:

I have audited the accompanying consolidated financial statements of Wheatland Regional Library, which are comprised of the consolidated statement of financial position as at December 31, 2010, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

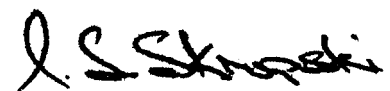
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Wheatland Regional Library as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Rosthern, Saskatchewan
March 13, 2011

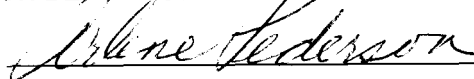


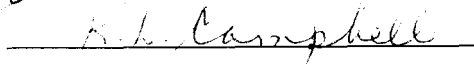
Certified General Accountant
Professional Corporation

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Financial Position
As at December 31, 2010

	2010	2009
FINANCIAL ASSETS		
Cash	\$ 548,561	\$ 362,997
Accounts receivable	24,077	42,187
Deposits receivable	50,000	50,000
	<u>622,638</u>	<u>455,184</u>
LIABILITIES		
Accounts payable	6,411	1,590
Deposits received	50,000	50,000
Deferred income	177,832	69,547
Long term debt (Note 4)	863,584	887,020
	<u>1,097,827</u>	<u>1,008,157</u>
NET (DEBT) FINANCIAL ASSETS	<u>(475,189)</u>	<u>(552,973)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 5, 6)	2,700,174	2,650,835
Prepaid expenses	21,543	26,339
	<u>2,721,717</u>	<u>2,677,174</u>
ACCUMULATED SURPLUS	<u>\$ 2,246,528</u>	<u>\$ 2,124,201</u>

ON BEHALF OF THE BOARD

 Director

 Director

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Operations
Year Ended December 31, 2010

	<i>Budget 2010</i>	2010	2009
REVENUES			
Provincial grant - library materials	\$ 260,694	\$ 263,585	\$ 260,694
Provincial grant	564,928	565,366	564,928
Municipal levies	672,734	673,210	673,250
Computer access program	-	55,146	55,364
Interest income	1,000	607	499
Lost or damaged materials	3,200	3,753	3,784
Sundry revenue	1,000	937	51,052
Donations	-	108	40
SILS revenue (Schedule 5)	94,078	98,630	151,590
	<u>1,597,634</u>	<u>1,661,342</u>	<u>1,761,201</u>
EXPENSES			
Administration (Schedule 1)	416,765	420,585	417,999
Governance (Schedule 2)	38,100	30,946	35,825
Service to branches (Schedule 3)	742,691	769,204	706,620
Library materials (Schedule 4)	13,000	259,064	204,839
SILS expenses (Schedule 5)	69,165	59,716	27,650
	<u>1,279,721</u>	<u>1,539,515</u>	<u>1,392,933</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>317,913</u>	121,827	368,268
OTHER INCOME			
Gain on disposal of assets		<u>500</u>	-
Annual surplus (deficit)		122,327	368,268
Accumulated surplus (deficit), beginning of year		<u>2,124,201</u>	<u>1,755,933</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR		\$ 2,246,528	\$ 2,124,201

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2010

	2010	2009
Annual surplus (deficit)	\$ 122,327	\$ 368,268
Acquisition of tangible capital assets	(384,976)	(1,171,909)
Amortization of tangible capital assets	335,636	275,271
Acquisition of prepaids	(21,542)	(26,339)
Use of prepaids	26,339	7,887
Change in net (debt) financial assets	77,784	(546,822)
Net (debt) financial assets, beginning of year	(552,973)	(6,151)
NET (DEBT) FINANCIAL ASSETS - END OF YEAR	\$ (475,189)	\$ (552,973)

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Cash Flows
Year Ended December 31, 2010

	2010	2009
OPERATING TRANSACTIONS		
Excess of revenues over expenses	\$ 122,327	\$ 368,268
Items not affecting cash:		
Amortization of tangible capital assets	335,636	275,271
Gain on disposal of assets	(500)	-
	<u>457,463</u>	<u>643,539</u>
Changes in non-cash working capital:		
Accounts receivable	18,110	227,421
Accounts payable	4,821	1,590
Prepaid expenses	4,797	(18,452)
Deferred revenue	108,285	69,547
	<u>136,013</u>	<u>280,106</u>
Cash flow from (used by) operating transactions	<u>593,476</u>	<u>923,645</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(384,976)	(1,171,909)
Proceeds on disposal of property, plant and equipment	500	-
Cash flow from (used by) capital transactions	<u>(384,476)</u>	<u>(1,171,909)</u>
FINANCING TRANSACTIONS		
Proceeds from long term financing	-	672,509
Repayment of long term debt	(23,436)	(12,980)
Cash flow from (used by) financing transactions	<u>(23,436)</u>	<u>659,529</u>
INCREASE IN CASH FLOW	185,564	411,265
Cash (deficiency) - beginning of year	<u>362,997</u>	<u>(48,268)</u>
CASH - END OF YEAR	\$ 548,561	\$ 362,997
CASH CONSISTS OF:		
Cash	<u>\$ 548,561</u>	<u>\$ 362,997</u>

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2010

1. DESCRIPTION OF BUSINESS

Wheatland Regional Library (the "library") offers services and programs under the authority of The Public Libraries Act, 1996 (the "Act"). The library's Board of Directors plays an integral part in strategic direction and management guidance. The purpose of the library is to ensure the provision of library services as set out in the Act, within the boundaries of the library's region as established by regulation.

2. BASIS OF PRESENTATION

These consolidated financial statements include all the disclosures required under Canadian generally accepted accounting principles. Pursuant to Public Sector Accounting Board section 3060 - government partnerships, Wheatland Regional Library has used proportionate consolidation to recognize the investment in Saskatchewan Information & Library Services Consortium (SILS). Wheatland Regional Library has a 6.47% interest in this organization.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenues are recognized when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured

Government grants

Government grants are recorded when there is a reasonable assurance that the library had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Land		non-amortizable
Buildings	40 years	straight-line method
Motor vehicles	4 years	straight-line method
Computer equipment	4 years	straight-line method
Computer software	4 years	straight-line method
Furniture and fixtures	10 years	straight-line method
SILS assets	3,4, and 8 years	straight-line method
Book library	7 years	straight-line method

The library regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. LONG TERM DEBT

	2010	2009
Royal Bank of Canada loan bearing interest at 6.55% per annum, repayable in monthly blended payments of \$6,737. The loan matures on May 31, 2029 and is secured by mortgage on land and building. Loan is callable on demand.	\$ 863,584	\$ 887,020
Principal due in one year	-	-
	\$ 863,584	\$ 887,020

Principal repayment terms are approximately:

2011	\$ 25,018
2012	26,706
2013	28,509
2014	30,434
2015	32,488
Thereafter	720,429
	\$ 863,584

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2010

5. TANGIBLE CAPITAL ASSETS - BY OBJECT

	Opening	Additions	Disposals & Writedowns	2010	2009
<u>Asset Cost</u>					
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Buildings	1,406,175	-	-	1,406,175	1,406,175
Motor vehicles	89,728	23,363	(25,239)	87,852	89,728
Computer equipment	224,431	-	-	224,431	224,431
Computer software	47,060	-	-	47,060	47,060
Furniture and fixtures	21,900	-	-	21,900	21,900
Book library	1,645,510	270,890	-	1,916,400	1,645,510
SILS assets	133,674	90,722	-	224,396	133,674
	3,613,478	384,975	(25,239)	3,973,214	3,613,478
<u>Accumulated Amortization</u>					
Buildings	(132,231)	(35,154)	-	(167,385)	(132,231)
Motor vehicles	(50,478)	(9,812)	25,239	(35,051)	(50,478)
Computer equipment	(191,733)	(12,733)	-	(204,466)	(191,733)
Computer software	(47,060)	-	-	(47,060)	(47,060)
Furniture and fixtures	(8,030)	(2,190)	-	(10,220)	(8,030)
Book library	(509,579)	(235,073)	-	(744,652)	(509,579)
SILS assets	(23,532)	(40,674)	-	(64,206)	(23,532)
	(962,643)	(335,636)	25,239	(1,273,040)	(962,643)
Net Book Value	2,650,835	49,339	-	2,700,174	\$ 2,650,835

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2010

6. TANGIBLE CAPITAL ASSETS - BY FUNCTION

	Opening	Additions	Disposals & Writedowns	2010	2009
Asset Cost					
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Building	1,406,175	-	-	1,406,175	1,406,175
Branch Service Computers	224,431	-	-	224,431	224,431
Branch Delivery Vehicles	89,728	23,363	(25,239)	87,852	89,728
Branch Service Software	47,060	-	-	47,060	47,060
Central Office Furniture	21,900	-	-	21,900	21,900
Book Library	1,645,510	270,890	-	1,916,400	1,645,510
SILS Assets	133,674	90,722	-	224,396	133,674
	3,613,478	384,975	(25,239)	3,973,214	3,613,478
Accumulated Amortization					
Building	(132,231)	(35,154)	-	(167,385)	(132,231)
Branch Service Computers	(191,733)	(12,733)	-	(204,466)	(191,733)
Branch Delivery Vehicles	(50,478)	(9,812)	25,239	(35,051)	(50,478)
Branch Service Software	(47,060)	-	-	(47,060)	(47,060)
Central Office Furniture	(8,030)	(2,190)	-	(10,220)	(8,030)
Book Library	(509,579)	(235,073)	-	(744,652)	(509,579)
SILS Assets	(23,532)	(40,674)	-	(64,206)	(23,532)
	(962,643)	(335,636)	25,239	(1,273,040)	(962,643)
Net Book Value	\$ 2,650,835	\$ 49,339	\$ -	\$ 2,700,174	\$ 2,650,835

7. LIBRARY MATERIALS EXPENSE

This note is prepared to comply with reporting requirements for revenue from the Provincial Services Agreement:

	Budget 2010	2010	2009
Books	\$ 293,000	\$ 225,352	\$ 275,391
E-Books	-	30,000	4,000
Audio-Visual	-	19,539	12,882
Electronic Data Bases	13,000	28,711	26,252
	\$ 306,000	\$ 303,602	\$ 318,525

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2010

8. BUDGET FIGURES

The budget figures presented in these financial statements were prepared by the Library management and approved by the Board on October 17, 2009. These amounts are unaudited and have been provided for information purposes only.

WHEATLAND REGIONAL LIBRARY

Consolidated Schedule of Administration Expenses

(Schedule 1)

Year Ended December 31, 2010

	<i>Budget</i> 2010	2010	2009
Advertising	\$ 2,000	\$ -	\$ 1,111
Amortization	-	59,890	59,630
Building operating costs	23,000	14,766	20,572
Equipment purchases	5,000	894	3,319
Insurance	19,000	20,050	18,447
Interest and bank charges	1,200	37	605
Interest on mortgage	80,840	57,405	41,533
Janitorial	15,000	13,087	13,068
Library and office supplies	4,000	3,186	3,700
Miscellaneous	1,425	1,132	1,193
Office and computer equipment maintenance	8,000	6,129	4,511
Contract work	7,000	1,218	1,194
Postage and courier	5,500	4,665	5,189
Professional fees	5,000	248	9,235
Telephone	7,600	7,025	7,248
Travel - staff development	7,000	5,334	249
Vehicle operating costs	1,500	1,395	1,096
Wages and employee benefits	223,700	224,124	226,099
	\$ 416,765	\$ 420,585	\$ 417,999

WHEATLAND REGIONAL LIBRARY
Consolidated Schedule of Governance Expenses *(Schedule 2)*
Year Ended December 31, 2010

	<i>Budget</i> 2010	2010	2009
Board memberships	\$ 3,500	\$ 3,626	\$ 3,340
Board liability	3,800	3,668	3,668
Chairman's budget	2,000	1,040	1,727
Conferences	-	2,792	3,407
Meetings - board	1,800	856	1,473
Meetings - executive	15,000	10,923	13,855
Meetings - committees	3,500	1,111	3,761
Professional fees	5,000	6,930	4,594
Strategic planning and development	3,500	-	-
	\$ 38,100	\$ 30,946	\$ 35,825

WHEATLAND REGIONAL LIBRARY

Consolidated Schedule of Services to Branches Expenses (Schedule 3)

Year Ended December 31, 2010

	<i>Budget</i> 2010	2010	2009
Community librarian training	\$ 10,000	\$ 12,813	\$ 6,160
Equipment purchases	3,000	-	1,188
Global books in print	5,100	4,720	5,050
Library and office supplies, equipment maintenance	48,500	81,161	90,396
Operating grants to branches	194,441	194,441	194,441
Postage and courier	5,150	4,691	4,691
Programs	15,000	10,001	12,025
Promotions and advertising	4,400	3,763	3,496
SILS	55,000	60,564	25,658
Technical services	5,000	5,269	8,774
Telephone	2,500	2,940	2,348
Travel - mileage	8,000	2,119	4,005
Travel - office	2,000	853	1,247
Vehicle operating costs	44,700	41,024	36,874
Wages and employee benefits	339,900	344,845	310,267
	\$ 742,691	\$ 769,204	\$ 706,620

WHEATLAND REGIONAL LIBRARY

Consolidated Schedule of Library Materials Expenditures (Schedule 4)

Year Ended December 31, 2010

	<i>Budget</i> <i>2010</i>	2010	2009
Electronic information databases	\$ 13,000	\$ 23,991	\$ 12,730
Amortization expense - book library	-	235,073	192,109
	\$ 13,000	\$ 259,064	\$ 204,839

WHEATLAND REGIONAL LIBRARY

Consolidated

**Schedule of Saskatchewan Information
& Library Services Consortium Revenue and Expenses (Schedule 5)**

Year Ended December 31, 2010

	<i>Budget 2010</i>	2010	2009
REVENUE			
Saskatchewan Ministry of Education	\$ 50,790	\$ 53,734	\$ 123,862
Membership fees	1,879	1,879	2,564
Provincial library fee	324	324	314
Interest income	324	914	1,469
Other revenue	-	1,018	287
System service fees	34,291	34,291	16,767
Evergreen fees	6,470	6,470	6,327
	<u>94,078</u>	<u>98,630</u>	<u>151,590</u>
EXPENSES			
Amortization	39,856	40,674	23,532
Electronic databases	194	-	1,514
Human resource costs	1,941	4,541	1,206
Office	647	1,049	705
Peripherals	26,203	13,146	693
Professional fees	324	306	-
	<u>69,165</u>	<u>59,716</u>	<u>27,650</u>
INCOME FROM OPERATIONS	<u>\$ 24,913</u>	<u>\$ 38,914</u>	<u>\$ 123,940</u>

WHEATLAND REGIONAL LIBRARY

Consolidated Summary of Expenditures by Object

(Schedule 6)

Year Ended December 31, 2010

	<i>Budget 2010</i>	2010	2009
Library materials	\$ 13,000	\$ 23,991	\$ 12,730
Purchased goods and services	641,024	606,378	550,557
Wages, benefits, honoraria, and non-operating grants	585,841	573,510	554,375
Amortization	39,856	335,636	275,271
	<u>\$ 1,279,721</u>	<u>\$ 1,539,515</u>	<u>\$ 1,392,933</u>