

WHEATLAND REGIONAL LIBRARY

Consolidated Financial Statements

Year Ended December 31, 2011

WHEATLAND REGIONAL LIBRARY
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Year Ended December 31, 2011

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WHEATLAND REGIONAL LIBRARY

December 31, 2011


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.

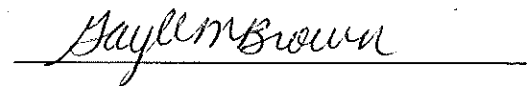
The integrity and reliability of Wheatland Regional Library's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees, and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial 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 members by C.S. Skrupski Certified General Accountant Professional Corporation, in accordance with Canadian auditing standards.



Arlene Pederson, Chairperson



Gayle Brown, Audit Committee

Saskatoon, Saskatchewan
March 31, 2012

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, 2011, 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 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, 2011, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Certified General Accountant
Professional Corporation

Rosthern, Saskatchewan
March 31, 2012

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Financial Position
as at December 31, 2011

	2011	2010
FINANCIAL ASSETS		
Cash	\$ 645,529	\$ 548,561
Accounts receivable	22,837	24,077
Deposits receivable	50,000	50,000
	<u>718,366</u>	<u>622,638</u>
LIABILITIES		
Accounts payable	4,783	6,411
Deposits received	50,000	50,000
Deferred income	77,208	177,832
Long term debt (Note 4)	838,567	863,584
	<u>970,558</u>	<u>1,097,827</u>
NET (DEBT) FINANCIAL ASSETS	<u>(252,192)</u>	<u>(475,189)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 5, 6)	2,596,517	2,700,174
Prepaid expenses	37,465	21,543
	<u>2,633,982</u>	<u>2,721,717</u>
ACCUMULATED SURPLUS	<u>\$ 2,381,790</u>	<u>\$ 2,246,528</u>

ON BEHALF OF THE BOARD

 Director

 Director

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Operations
Year Ended December 31, 2011

	<i>Budget 2011</i>	2011	2010
REVENUES			
Provincial grant - library materials	\$ 263,585	\$ 276,899	\$ 263,585
Provincial grant	565,366	595,413	565,366
Municipal levies	673,210	673,216	673,210
Computer access program	-	55,000	55,146
Interest income	500	992	607
Lost or damaged materials	3,000	6,617	3,753
Sundry revenue	1,000	68,164	940
Donations	-	-	105
SILS revenue (Schedule 5)	98,048	164,595	98,630
	<u>1,604,709</u>	<u>1,840,896</u>	<u>1,661,342</u>
EXPENSES			
Administration (Schedule 1)	415,070	428,899	420,585
Governance (Schedule 2)	35,100	23,949	30,946
Services to branches (Schedule 3)	749,491	802,802	769,204
Library materials (Schedule 4)	307,000	292,370	259,064
SILS expenses (Schedule 5)	125,785	157,614	59,716
	<u>1,632,446</u>	<u>1,705,634</u>	<u>1,539,515</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(27,737)</u>	<u>135,262</u>	<u>121,827</u>
OTHER INCOME			
Gain (loss) on disposal of assets		-	500
Annual surplus (deficit)		<u>135,262</u>	<u>122,327</u>
Accumulated surplus, beginning of year		<u>2,246,528</u>	<u>2,124,201</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 2,381,790</u>	<u>\$ 2,246,528</u>

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2011

	2011	2010
Annual surplus (deficit)	\$ 135,262	\$ 122,327
Acquisition of tangible capital assets	(278,525)	(384,976)
Amortization of tangible capital assets	377,332	335,637
Disposal/write-down of tangible capital assets	4,850	-
Acquisition of prepaids	(37,465)	(21,543)
Use of prepaids	21,543	26,339
Change in net (debt) financial assets	222,997	77,784
Net (debt) financial assets, beginning of year	(475,189)	(552,973)
NET (DEBT) FINANCIAL ASSETS - END OF YEAR	(252,192)	(475,189)

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Cash Flows
Year Ended December 31, 2011

	2011	2010
OPERATING TRANSACTIONS		
Excess of revenues over expenses	\$ 135,262	\$ 122,327
Items not affecting cash:		
Amortization of tangible capital assets	377,332	335,637
Disposal/write-down of tangible capital assets	4,850	-
Gain (loss) on disposal of tangible capital assets	-	(500)
	<u>517,444</u>	<u>457,464</u>
Changes in non-cash working capital:		
Accounts receivable	1,239	18,110
Accounts payable	(1,628)	4,821
Prepaid expenses	(15,922)	4,796
Deferred revenue	(100,624)	108,285
	<u>(116,935)</u>	<u>136,012</u>
Cash flow from (used by) operating transactions	<u>400,509</u>	<u>593,476</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(278,525)	(384,976)
Proceeds on disposal of tangible capital assets	-	500
Cash flow from (used by) capital transactions	<u>(278,525)</u>	<u>(384,476)</u>
FINANCING TRANSACTIONS		
Repayment of long term debt	(25,016)	(23,436)
Cash flow from (used by) financing transactions	<u>(25,016)</u>	<u>(23,436)</u>
INCREASE IN CASH FLOW	96,968	185,564
Cash (deficiency) - beginning of year	<u>548,561</u>	<u>362,997</u>
CASH - END OF YEAR	\$ 645,529	\$ 548,561
CASH CONSISTS OF:		
Cash	<u>\$ 645,529</u>	<u>\$ 548,561</u>

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2011

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 6.33% interest in this organization.

3. 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 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.

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.

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2011

4. LONG TERM DEBT

	2011	2010
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.	\$ 838,567	\$ 863,584

Principal repayment terms are approximately:

2012	\$ 26,706
2013	28,509
2014	30,434
2015	32,488
2016	34,702
Thereafter	685,728
	\$ 838,567

5. TANGIBLE CAPITAL ASSETS - BY OBJECT

	Opening	Additions	Disposals & Writedowns	2011	2010
<u>Asset Cost</u>					
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Buildings	1,406,175	-	-	1,406,175	1,406,175
Motor vehicles	87,852	-	-	87,852	87,852
Computer equipment	224,431	13,700	-	238,131	224,431
Computer software	47,060	-	-	47,060	47,060
Furniture and fixtures	21,900	6,720	-	28,620	21,900
Book library	1,916,400	255,546	-	2,171,946	1,916,400
SILS assets	224,396	2,559	(4,850)	222,105	224,396
	3,973,214	278,525	(4,850)	4,246,889	3,973,214
<u>Accumulated Amortization</u>					
Buildings	(167,385)	(35,154)	-	(202,539)	(167,385)
Motor vehicles	(35,052)	(15,653)	-	(50,705)	(35,052)
Computer equipment	(204,466)	(11,983)	-	(216,449)	(204,466)
Computer software	(47,060)	-	-	(47,060)	(47,060)
Furniture and fixtures	(10,220)	(2,190)	-	(12,410)	(10,220)
Book library	(744,651)	(273,771)	-	(1,018,422)	(744,651)
SILS assets	(64,206)	(38,581)	-	(102,787)	(64,206)
	(1,273,040)	(377,332)	-	(1,650,372)	(1,273,040)
Net Book Value	2,700,174	(98,807)	(4,850)	2,596,517	2,700,174

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2011

6. TANGIBLE CAPITAL ASSETS - BY FUNCTION

	Opening	Additions	Disposals & Writedowns	2011	2010
<u>Asset Cost</u>					
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Building	1,406,175	-	-	1,406,175	1,406,175
Branch service computers	224,431	13,700	-	238,131	224,431
Branch delivery vehicles	87,852	-	-	87,852	87,852
Branch service software	47,060	-	-	47,060	47,060
Central office furniture	21,900	6,720	-	28,620	21,900
Book library	1,916,400	255,546	-	2,171,946	1,916,400
SILS assets	224,396	2,559	(4,850)	222,105	224,396
	<u>3,973,214</u>	<u>278,525</u>	<u>(4,850)</u>	<u>4,246,889</u>	<u>3,973,214</u>
<u>Accumulated Amortization</u>					
Building	(167,385)	(35,154)	-	(202,539)	(167,385)
Branch service computers	(204,466)	(11,983)	-	(216,449)	(204,466)
Branch delivery vehicles	(35,052)	(15,653)	-	(50,705)	(35,052)
Branch service software	(47,060)	-	-	(47,060)	(47,060)
Central office furniture	(10,220)	(2,190)	-	(12,410)	(10,220)
Book library	(744,651)	(273,771)	-	(1,018,422)	(744,651)
SILS assets	(64,206)	(38,581)	-	(102,787)	(64,206)
	<u>(1,273,040)</u>	<u>(377,332)</u>	<u>-</u>	<u>(1,650,372)</u>	<u>(1,273,040)</u>
Net Book Value	<u>2,700,174</u>	<u>(98,807)</u>	<u>(4,850)</u>	<u>2,596,517</u>	<u>2,700,174</u>

7. LIBRARY MATERIALS EXPENSE

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

	<i>Budget 2011</i>	2011	2010
Books	\$ 241,000	\$ 203,546	\$ 225,352
E-Books	30,000	30,000	30,000
Audio-visual	22,000	22,000	19,539
Electronic data bases	14,000	18,599	28,711
	<u>\$ 307,000</u>	<u>\$ 274,145</u>	<u>\$ 303,602</u>

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2011

8. BUDGET FIGURES

The budget figures presented in these financial statements were prepared by library management and approved by the Board on April 16, 2011. These amounts are unaudited and have been provided for information purposes only.

WHEATLAND REGIONAL LIBRARY

(Schedule 1)

Consolidated Schedule of Administration Expenses

Year Ended December 31, 2011

	Budget 2011	2011	2010
Advertising	\$ 1,000	\$ 450	\$ -
Amortization	-	64,980	59,890
Building operating costs	23,000	21,680	14,766
Contract work	5,000	1,214	1,218
Equipment purchases	8,800	292	894
Insurance	20,000	19,427	20,050
Interest and bank charges	200	337	37
Interest on mortgage	80,840	55,823	57,405
Janitorial	15,000	12,905	13,087
Library and office supplies	4,000	2,533	3,186
Miscellaneous	2,530	537	1,132
Office and computer equipment maintenance	2,000	3,262	6,129
Postage and courier	2,000	2,759	4,665
Professional fees	5,000	-	248
Telephone	7,500	7,078	7,025
Travel - staff development	7,000	4,103	5,334
Vehicle operating costs	2,000	2,497	1,395
Wages and employee benefits	229,200	229,022	224,124
	\$ 415,070	\$ 428,899	\$ 420,585

WHEATLAND REGIONAL LIBRARY

(Schedule 2)

Consolidated Schedule of Governance Expenses

Year Ended December 31, 2011

	<i>Budget 2011</i>	2011	2010
Board memberships	\$ 3,800	\$ 3,756	\$ 3,626
Board liability	3,800	3,668	3,668
Chairman's budget	2,000	581	1,040
Conferences	1,000	505	2,792
Meetings - board	1,000	1,046	856
Meetings - committees	3,000	7,907	10,923
Meetings - executive	15,000	1,236	1,111
Professional fees	5,500	5,250	6,930
	<u>\$ 35,100</u>	<u>\$ 23,949</u>	<u>\$ 30,946</u>

WHEATLAND REGIONAL LIBRARY

(Schedule 3)

Consolidated Schedule of Services to Branches Expenses

Year Ended December 31, 2011

	Budget 2011	2011	2010
Community librarian training	\$ 7,000	\$ 7,814	\$ 12,813
Global books in print	5,000	3,479	4,720
Library and office supplies; equipment maintenance	43,100	111,877	81,161
Operating grants to branches	194,441	194,441	194,441
Postage and courier	5,000	5,103	4,691
Programs	15,000	19,291	10,001
Promotions and advertising	4,500	3,604	3,763
SILS	55,000	56,326	60,564
Technical services	-	369	5,269
Telephone	3,600	3,311	2,940
Travel - mileage	7,000	2,739	2,119
Travel - office	-	1,584	853
Vehicle operating costs	45,000	44,316	41,024
Wages and employee benefits	364,850	348,548	344,845
	\$ 749,491	\$ 802,802	\$ 769,204

WHEATLAND REGIONAL LIBRARY

(Schedule 4)

Consolidated Schedule of Library Materials Expenses

Year Ended December 31, 2011

	<i>Budget 2011</i>	2011	2010
Electronic information databases	\$ 14,000	\$ 18,599	\$ 23,991
Amortization expense - book library	293,000	273,771	235,073
	<u>\$ 307,000</u>	<u>\$ 292,370</u>	<u>\$ 259,064</u>

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

Year Ended December 31, 2011

	<i>Budget 2011</i>	2011	2010
REVENUE			
Saskatchewan Ministry of Education	\$ 32,600	\$ 75,795	\$ 53,734
Membership fees	11,644	11,644	1,879
Provincial library fee	633	633	324
Interest income	633	975	914
Other revenue	12,659	35,668	1,018
System service fees	33,549	33,549	34,291
Evergreen fees	6,330	6,331	6,470
	<u>98,048</u>	<u>164,595</u>	<u>98,630</u>
EXPENSES			
Amortization	39,887	38,581	40,674
Human resource costs	14,686	19,960	4,541
Office	2,975	3,686	1,049
Peripherals/other expenses	67,920	94,908	13,146
Professional fees	317	479	306
	<u>125,785</u>	<u>157,614</u>	<u>59,716</u>
INCOME FROM OPERATIONS	\$ (27,737)	\$ 6,981	\$ 38,914

WHEATLAND REGIONAL LIBRARY

(Schedule 6)

Consolidated Summary of Expenditures by Object

Year Ended December 31, 2011

	Budget 2011	2011	2010
Electronic databases	\$ 14,000	\$ 18,599	\$ 23,991
Purchased goods and services	676,823	712,173	606,377
Wages, benefits, honoraria, and non-operating grants	608,736	597,530	573,510
Amortization	332,887	377,332	335,637
	<u>\$ 1,632,446</u>	<u>\$ 1,705,634</u>	<u>\$ 1,539,515</u>