

WHEATLAND REGIONAL LIBRARY
Consolidated Financial Statements
Year Ended December 31, 2014

WHEATLAND REGIONAL LIBRARY
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Year Ended December 31, 2014

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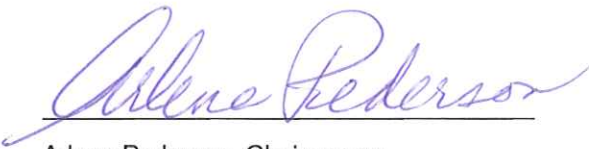
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Wheatland Regional Library have been prepared in accordance with public sector accounting standards. 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.

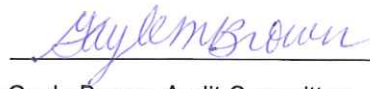
The integrity and reliability of Wheatland Regional Library's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees, and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial 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 external auditor 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 and approval by the Board, 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 CPA Professional Corporation, in accordance with Canadian auditing standards.



Arlene Pederson, Chairperson



Gayle Brown, Audit Committee

Saskatoon, Saskatchewan
March 21, 2015

C.S. Skrupski
CPA 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, 2014, the consolidated statements of operations, changes in net (debt) financial 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 public sector accounting standards, 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

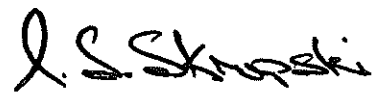
My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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, 2014, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



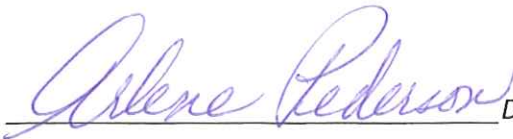
Rosthern, Saskatchewan
March 21, 2015

CPA Professional Corporation

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Financial Position
as at December 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 1,088,349	\$ 943,059
Accounts receivable	39,633	31,973
	1,127,982	975,032
LIABILITIES		
Accounts payable	3,760	5,025
Deferred income	16,159	18,893
Long term debt (Note 4)	752,918	783,351
	772,837	807,269
NET (DEBT) FINANCIAL ASSETS	355,145	167,763
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 5, 6)	2,326,687	2,453,832
Prepaid expenses	43,380	20,424
	2,370,067	2,474,256
ACCUMULATED SURPLUS	\$ 2,725,212	\$ 2,642,019

ON BEHALF OF THE BOARD

 Director

 Director

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Operations
Year Ended December 31, 2014

	<i>Budget 2014</i>	2014	2013
REVENUES			
Provincial grant - library materials	\$ 276,861	\$ 281,361	\$ 276,861
Provincial grant	641,955	649,389	641,954
Municipal levies	744,618	745,284	744,618
Interest income	1,700	2,364	2,209
Lost or damaged materials	4,000	9,855	7,261
Sundry revenue	1,500	11,979	22,763
Donations	-	630	265
SILS revenue <i>(Schedule 5)</i>	95,204	85,081	96,759
	<u>1,765,838</u>	<u>1,785,943</u>	1,792,690
EXPENSES			
Administration <i>(Schedule 1)</i>	465,440	448,695	424,743
Governance <i>(Schedule 2)</i>	27,000	20,805	21,309
Services to branches <i>(Schedule 3)</i>	845,159	767,081	775,437
Library materials <i>(Schedule 4)</i>	333,000	310,637	318,389
SILS expenses <i>(Schedule 5)</i>	106,555	155,532	100,102
	<u>1,777,154</u>	<u>1,702,750</u>	1,639,980
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(11,316)</u>	83,193	152,710
OTHER INCOME			
Gain (loss) on disposal of assets		<u>-</u>	(7,312)
Annual surplus (deficit)		83,193	145,398
Accumulated surplus, beginning of year		<u>2,642,019</u>	2,496,621
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 2,725,212</u>	<u>\$ 2,642,019</u>

WHEATLAND REGIONAL LIBRARY

Consolidated Statement of Changes in Net (Debt) Financial Assets

Year Ended December 31, 2014

	2014	2013
Annual surplus (deficit)	\$ 83,193	\$ 145,398
Acquisition of tangible capital assets	(271,841)	(301,853)
Amortization of tangible capital assets	407,801	378,012
Disposal/write-down of tangible capital assets	(8,815)	9,813
Acquisition of prepaids	(43,380)	(20,424)
Use of prepaids	20,424	19,181
Change in net (debt) financial assets	187,382	230,127
Net (debt) financial assets, beginning of year	167,763	(62,364)
NET (DEBT) FINANCIAL ASSETS - END OF YEAR	355,145	167,763

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

C.S. Skrupski CPA Professional Corporation

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
OPERATING TRANSACTIONS		
Excess of revenues over expenses	\$ 83,193	\$ 145,398
Items not affecting cash:		
Amortization of tangible capital assets	407,801	378,012
Disposal/write-down of tangible capital assets	21,970	-
Gain (loss) on disposal of tangible capital assets	5,166	7,312
	<u>518,130</u>	<u>530,722</u>
Changes in non-cash working capital:		
Accounts receivable	(7,659)	(1,153)
Accounts payable	(1,265)	2,681
Prepaid expenses	(22,956)	(1,243)
Deferred revenue	(2,734)	(11,692)
	<u>(34,614)</u>	<u>(11,407)</u>
Cash flow from (used for) operating transactions	<u>483,516</u>	<u>519,315</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(271,841)	(301,853)
Proceeds on disposal of tangible capital assets	-	2,500
Cash flow from (used for) capital transactions	<u>(271,841)</u>	<u>(299,353)</u>
FINANCING TRANSACTIONS		
Repayment of long term debt	(30,433)	(28,507)
Cash flow from (used for) financing transactions	<u>(30,433)</u>	<u>(28,507)</u>
INCREASE IN CASH FLOW	181,242	191,455
Cash (deficiency) - beginning of year	<u>943,059</u>	<u>751,604</u>
CASH - END OF YEAR	<u>\$ 1,124,301</u>	<u>\$ 943,059</u>
CASH CONSISTS OF:		
Cash	<u>\$ 1,088,349</u>	<u>\$ 943,059</u>

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

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 public sector accounting standards. Pursuant to Public Sector Accounting Board (PSAB) 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 7.45% 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 public sector accounting standards 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, 2014

4. LONG TERM DEBT

	2014	2013
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.	\$ 752,918	\$ 783,351

Principal repayment terms are approximately:

2015	\$ 32,488
2016	34,681
2017	37,022
2018	39,521
2019	42,189
Thereafter	567,017
	\$ 752,918

5. TANGIBLE CAPITAL ASSETS - BY OBJECT

	Opening	Additions	Disposals & Writedowns	2014	2013
<u>Asset Cost</u>					
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Buildings	1,406,175	-	-	1,406,175	1,406,175
Motor vehicles	95,745	-	-	95,745	95,745
Computer equipment	207,924	18,750	-	226,674	207,924
Computer software	47,060	-	-	47,060	47,060
Furniture and fixtures	34,347	-	-	34,347	34,347
Book library	2,721,858	253,091	-	2,974,949	2,721,858
SILS assets	225,718	-	8,815	234,533	225,718
	4,783,827	271,841	8,815	5,064,483	4,783,827
<u>Accumulated Amortization</u>					
Buildings	(272,848)	(35,155)	-	(308,003)	(272,848)
Motor vehicles	(24,889)	(23,936)	-	(48,825)	(24,889)
Computer equipment	(195,529)	(5,274)	-	(200,803)	(195,529)
Computer software	(47,060)	-	-	(47,060)	(47,060)
Furniture and fixtures	(18,707)	(3,434)	-	(22,141)	(18,707)
Book library	(1,622,010)	(279,686)	-	(1,901,696)	(1,622,010)
SILS assets	(148,952)	(60,316)	-	(209,268)	(148,952)
	(2,329,995)	(407,801)	-	(2,737,796)	(2,329,995)
Net Book Value	2,453,832	(135,960)	8,815	2,326,687	2,453,832

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

6. TANGIBLE CAPITAL ASSETS - BY FUNCTION

	Opening	Additions	Disposals & Writedowns	2014	2013
<u>Asset Cost</u>					
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Building	1,406,175	-	-	1,406,175	1,406,175
Branch service computers	207,924	18,750	-	226,674	207,924
Branch delivery vehicles	95,745	-	-	95,745	95,745
Branch service software	47,060	-	-	47,060	47,060
Central office furniture	34,347	-	-	34,347	34,347
Book library	2,721,858	253,091	-	2,974,949	2,721,858
SILS assets	225,718	-	8,815	234,533	225,718
	<u>4,783,827</u>	<u>271,841</u>	<u>8,815</u>	<u>5,064,483</u>	<u>4,783,827</u>
<u>Accumulated Amortization</u>					
Building	(272,848)	(35,155)	-	(308,003)	(272,848)
Branch service computers	(195,529)	(5,274)	-	(200,803)	(195,529)
Branch delivery vehicles	(24,889)	(23,936)	-	(48,825)	(24,889)
Branch service software	(47,060)	-	-	(47,060)	(47,060)
Central office furniture	(18,707)	(3,434)	-	(22,141)	(18,707)
Book library	(1,622,010)	(279,686)	-	(1,901,696)	(1,622,010)
SILS assets	(148,952)	(60,316)	-	(209,268)	(148,952)
	<u>(2,329,995)</u>	<u>(407,801)</u>	<u>-</u>	<u>(2,737,796)</u>	<u>(2,329,995)</u>
Net Book Value	<u>2,453,832</u>	<u>(135,960)</u>	<u>8,815</u>	<u>2,326,687</u>	<u>2,453,832</u>

7. LIBRARY MATERIALS EXPENSE

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

	<u>Budget 2014</u>	<u>2014</u>	<u>2013</u>
Books	\$ 242,000	\$ 228,091	\$ 235,077
E-Books	25,000	25,000	15,000
Audio-visual	26,000	25,036	25,793
Electronic data bases	40,000	30,951	25,080
	<u>\$ 333,000</u>	<u>\$ 309,078</u>	<u>\$ 300,950</u>

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

8. BUDGET FIGURES

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

9. PENSION

Employees of the Library participate in the Municipal Employees Pension Plan ("MEPP"). MEPP is a multi-employer defined benefit pension plan established by The Municipal Employee's Pension Act on July 1, 1973. MEPP was created to provide retirement benefits to the members of school divisions, urban and rural municipalities, regional colleges, regional public libraries, and other local authorities based on length of service and pensionable earnings. Benefits under MEPP are funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Contributions to MEPP by participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities are not recognized with these statements. In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the Library's contributions are expensed when due. During the year, the Library contributed \$83,628.

WHEATLAND REGIONAL LIBRARY

(Schedule 1)

Consolidated Schedule of Administration Expenses

Year Ended December 31, 2014

	Budget 2014	2014	2013
Advertising	\$ 1,000	\$ 68	\$ 347
Amortization	-	67,799	57,869
Building operating costs	26,000	20,480	17,479
Contract work	5,000	1,413	1,404
Equipment purchases	10,000	3,881	2,222
Insurance	22,000	17,114	16,900
Interest and bank charges	300	33	254
Interest on mortgage	80,840	50,407	52,331
Janitorial	15,000	12,639	12,575
Library and office supplies	5,000	2,540	1,786
Miscellaneous	12,500	1,893	1,420
Office and computer equipment maintenance	8,000	7,585	8,089
Postage and courier	3,000	2,674	2,427
Professional fees	5,000	349	184
Telephone	6,000	4,869	5,397
Travel - staff development	6,000	2,250	8,010
Vehicle operating costs	2,000	1,027	680
Wages and employee benefits	257,800	251,674	235,369
	<u>\$ 465,440</u>	<u>\$ 448,695</u>	<u>\$ 424,743</u>

Consolidated Schedule of Governance Expenses

Year Ended December 31, 2014

	<i>Budget 2014</i>	2014	2013
Board memberships	\$ 4,500	\$ 4,409	\$ 4,069
Board liability	1,500	1,410	1,410
Chairman's budget	2,000	522	856
Conferences	-	931	321
Meetings - board	1,500	1,311	1,053
Meetings - committees	1,500	972	708
Meetings - executive	9,000	5,501	7,432
Professional fees	6,000	5,749	5,460
Board development	1,000	-	-
	\$ 27,000	\$ 20,805	\$ 21,309

Consolidated Schedule of Services to Branches Expenses

Year Ended December 31, 2014

	<i>Budget 2014</i>	2014	2013
Community librarian training	\$ 10,000	\$ 6,739	\$ 7,908
Equipment purchases	39,000	9	2,107
Global books in print	5,000	-	3,993
Library and office supplies; equipment maintenance	17,000	15,942	18,839
Operating grants to branches	220,299	217,746	220,299
Postage and courier	7,000	8,056	7,503
Programs	22,000	38,502	42,453
Promotions and advertising	7,000	7,110	4,824
SILS	80,000	75,914	73,834
Technical services	1,000	-	4,359
Telephone	3,360	2,286	3,167
Travel - mileage	1,500	792	611
Travel - office	1,500	652	839
Vehicle operating costs	76,800	41,604	46,566
Wages and employee benefits	353,700	351,729	338,135
	\$ 845,159	\$ 767,081	\$ 775,437

Consolidated Schedule of Library Materials Expenses

Year Ended December 31, 2014

	<i>Budget 2014</i>	2014	2013
Electronic information databases	\$ 40,000	\$ 30,951	\$ 25,080
Amortization expense - book library	293,000	279,686	293,309
	<u>\$ 333,000</u>	<u>\$ 310,637</u>	<u>\$ 318,389</u>

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

Year Ended December 31, 2014

	<i>Budget 2014</i>	2014	2013
REVENUE			
Saskatchewan Ministry of Education	\$ 6,308	\$ 8,538	\$ 14,655
Membership fees	14,806	13,447	16,535
Provincial library fee	3,725	3,725	717
Interest income	1,490	1,037	962
Other revenue	7,450	745	10,039
System service fees	53,975	50,659	46,681
Evergreen fees	7,450	6,930	7,170
	<u>95,204</u>	<u>85,081</u>	<u>96,759</u>
EXPENSES			
Amortization	24,364	60,316	26,834
Human resource costs	32,504	29,443	31,014
Office	5,024	3,569	4,412
Peripherals/other expenses	43,545	61,469	37,155
Professional fees	1,118	735	687
	<u>106,555</u>	<u>155,532</u>	<u>100,102</u>
INCOME (LOSS) FROM OPERATIONS	\$ (11,351)	\$ (70,451)	\$ (3,343)

WHEATLAND REGIONAL LIBRARY

(Schedule 6)

Consolidated Summary of Expenditures by Object

Year Ended December 31, 2014

	<i>Budget 2014</i>	2014	2013
Electronic databases	\$ 40,000	\$ 30,951	\$ 25,080
Purchased goods and services	775,786	631,152	632,370
Wages, benefits, honoraria, and non-operating grants	644,004	632,846	604,518
Amortization	317,364	407,801	378,012
	\$ 1,777,154	\$ 1,702,750	\$ 1,639,980