

WHEATLAND REGIONAL LIBRARY
Consolidated Financial Statements
Year Ended December 31, 2015

WHEATLAND REGIONAL LIBRARY
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Year Ended December 31, 2015

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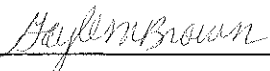
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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.

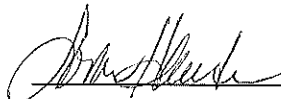
The integrity and reliability of Wheatland Regional Library's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees, and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial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



Gayle Brown, Chairperson



Lorna Hauta, Audit Committee

Saskatoon, Saskatchewan
March 5, 2016

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, 2015, 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, 2015, 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 5, 2016

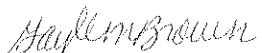


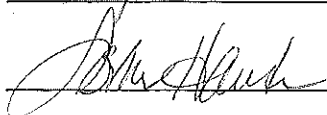
CPA Professional Corporation

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Financial Position
as at December 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash	\$ 1,257,041	\$ 1,088,349
Accounts receivable	30,340	39,633
	1,287,381	1,127,982
LIABILITIES		
Accounts payable	8,353	3,760
Deferred income	4,360	16,159
Long term debt (Note 4)	720,430	752,918
	733,143	772,837
NET (DEBT) FINANCIAL ASSETS	554,238	355,145
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 5, 6)	2,208,639	2,326,687
Prepaid expenses	43,095	43,380
	2,251,734	2,370,067
ACCUMULATED SURPLUS	\$ 2,805,972	\$ 2,725,212

ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Operations
Year Ended December 31, 2015

	<i>Budget 2015</i>	2015	2014
REVENUES			
Provincial grant - library materials	\$ 280,750	\$ 286,965	\$ 281,361
Provincial grant	650,000	643,853	649,389
Municipal levies	744,618	743,953	745,284
Interest income	1,500	3,452	2,364
Lost or damaged materials	6,000	8,736	9,855
Sundry revenue	2,000	5,808	11,979
Donations	-	3,600	630
SILS revenue <i>(Schedule 5)</i>	89,584	102,142	85,081
	<u>1,774,452</u>	<u>1,798,509</u>	<u>1,785,943</u>
EXPENSES			
Administration <i>(Schedule 1)</i>	478,390	452,870	448,695
Governance <i>(Schedule 2)</i>	31,250	25,081	20,805
Services to branches <i>(Schedule 3)</i>	842,149	791,096	767,081
Library materials <i>(Schedule 4)</i>	333,000	316,400	310,637
SILS expenses <i>(Schedule 5)</i>	101,745	132,302	155,532
	<u>1,786,534</u>	<u>1,717,749</u>	<u>1,702,750</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(12,082)</u>	80,760	83,193
Accumulated surplus, beginning of year		<u>2,725,212</u>	<u>2,642,019</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 2,805,972</u>	<u>\$ 2,725,212</u>

WHEATLAND REGIONAL LIBRARY

Consolidated Statement of Changes in Net (Debt) Financial Assets

Year Ended December 31, 2015

	2015	2014
Annual surplus (deficit)	\$ 80,760	\$ 83,193
Acquisition of tangible capital assets	(249,893)	(271,841)
Amortization of tangible capital assets	358,442	407,801
Disposal/write-down of tangible capital assets	9,499	(8,815)
Acquisition of prepaids	(43,095)	(43,380)
Use of prepaids	43,380	20,424
Change in net (debt) financial assets	199,093	187,382
Net (debt) financial assets, beginning of year	355,145	167,763
NET (DEBT) FINANCIAL ASSETS - END OF YEAR	554,238	355,145

WHEATLAND REGIONAL LIBRARY
Consolidated Statement of Cash Flows
Year Ended December 31, 2015

	2015	2014
OPERATING TRANSACTIONS		
Excess of revenues over expenses	\$ 80,760	\$ 83,193
Items not affecting cash:		
Amortization of tangible capital assets	358,442	407,801
Disposal/write-down of tangible capital assets	9,499	(8,815)
	<u>448,701</u>	<u>482,179</u>
Changes in non-cash working capital:		
Accounts receivable	9,293	(7,659)
Accounts payable	4,593	(1,265)
Prepaid expenses	285	(22,956)
Deferred revenue	(11,799)	(2,734)
	<u>2,372</u>	<u>(34,614)</u>
Cash flow from (used for) operating transactions	<u>451,073</u>	<u>447,565</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>(249,893)</u>	<u>(271,841)</u>
Cash flow from (used for) capital transactions	<u>(249,893)</u>	<u>(271,841)</u>
FINANCING TRANSACTIONS		
Repayment of long term debt	<u>(32,488)</u>	<u>(30,434)</u>
Cash flow from (used for) financing transactions	<u>(32,488)</u>	<u>(30,434)</u>
INCREASE IN CASH FLOW	168,692	145,290
Cash (deficiency) - beginning of year	<u>1,088,349</u>	<u>943,059</u>
CASH - END OF YEAR	<u>\$ 1,257,041</u>	<u>\$ 1,088,349</u>
CASH CONSISTS OF:		
Cash	<u>\$ 1,257,041</u>	<u>\$ 1,088,349</u>

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2015

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 7.42% 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, 2015

4. LONG TERM DEBT

	2015	2014
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.	\$ 720,430	\$ 752,918

Principal repayment terms are approximately:

2016	\$ 34,681
2017	37,022
2018	39,521
2019	42,189
2020	45,037
Thereafter	521,980
	\$ 720,430

5. TANGIBLE CAPITAL ASSETS - BY OBJECT

	Opening	Additions	Disposals & Writedowns	2015	2014
<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	226,674	-	-	226,674	226,674
Computer software	47,060	-	-	47,060	47,060
Furniture and fixtures	34,347	-	-	34,347	34,347
Book library	2,974,949	249,579	-	3,224,528	2,974,949
SILS assets	234,533	314	(945)	233,902	234,533
	5,064,483	249,893	(945)	5,313,431	5,064,483
<u>Accumulated Amortization</u>					
Buildings	(308,003)	(35,154)	-	(343,157)	(308,003)
Motor vehicles	(48,825)	(18,096)	-	(66,921)	(48,825)
Computer equipment	(200,803)	(9,960)	-	(210,763)	(200,803)
Computer software	(47,060)	-	-	(47,060)	(47,060)
Furniture and fixtures	(22,141)	(2,885)	-	(25,026)	(22,141)
Book library	(1,901,696)	(276,476)	-	(2,178,172)	(1,901,696)
SILS assets	(209,268)	(15,871)	(8,554)	(233,693)	(209,268)
	(2,737,796)	(358,442)	(8,554)	(3,104,792)	(2,737,796)
Net Book Value	2,326,687	(108,549)	(9,499)	2,208,639	2,326,687

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2015

6. TANGIBLE CAPITAL ASSETS - BY FUNCTION

	Opening	Additions	Disposals & Writedowns	2015	2014
<u>Asset Cost</u>					
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Building	1,406,175	-	-	1,406,175	1,406,175
Branch service computers	226,674	-	-	226,674	226,674
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	2,974,949	249,579	-	3,224,528	2,974,949
SILS assets	234,533	314	(945)	233,902	234,533
	<u>5,064,483</u>	<u>249,893</u>	<u>(945)</u>	<u>5,313,431</u>	<u>5,064,483</u>
<u>Accumulated Amortization</u>					
Building	(308,003)	(35,154)	-	(343,157)	(308,003)
Branch service computers	(200,803)	(9,960)	-	(210,763)	(200,803)
Branch delivery vehicles	(48,825)	(18,096)	-	(66,921)	(48,825)
Branch service software	(47,060)	-	-	(47,060)	(47,060)
Central office furniture	(22,141)	(2,885)	-	(25,026)	(22,141)
Book library	(1,901,696)	(276,476)	-	(2,178,172)	(1,901,696)
SILS assets	(209,268)	(15,871)	(8,554)	(233,693)	(209,268)
	<u>(2,737,796)</u>	<u>(358,442)</u>	<u>(8,554)</u>	<u>(3,104,792)</u>	<u>(2,737,796)</u>
Net Book Value	<u>2,326,687</u>	<u>(108,549)</u>	<u>(9,499)</u>	<u>2,208,639</u>	<u>2,326,687</u>

7. LIBRARY MATERIALS EXPENSE

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

	<u>Budget 2015</u>	<u>2015</u>	<u>2014</u>
Books	\$ 242,000	\$ 224,579	\$ 228,091
E-Books	25,000	25,000	25,000
Audio-visual	26,000	25,990	25,036
Electronic data bases	40,000	39,924	30,951
	<u>\$ 333,000</u>	<u>\$ 315,493</u>	<u>\$ 309,078</u>

WHEATLAND REGIONAL LIBRARY
Notes to Consolidated Financial Statements
Year Ended December 31, 2015

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 \$75,636 2014 - (\$75,636).

Consolidated Schedule of Administration Expenses

Year Ended December 31, 2015

	Budget 2015	2015	2014
Advertising	\$ 750	\$ -	\$ 68
Amortization	-	66,095	67,799
Building operating costs	26,000	16,472	20,480
Building reserve fund	10,000	-	-
Contract work	3,000	1,512	1,413
Equipment purchases	5,500	1,613	3,881
Insurance	22,000	17,431	17,114
Interest and bank charges	300	58	33
Interest on mortgage	80,840	48,352	50,407
Janitorial	16,000	12,613	12,639
Library and office supplies	3,000	1,421	2,540
Miscellaneous	2,000	668	1,893
Office and computer equipment maintenance	9,000	4,481	7,585
Postage and courier	3,000	1,518	2,674
Professional fees	5,000	3,439	349
Telephone	5,500	4,936	4,869
Travel - staff development	5,000	3,625	2,250
Vehicle operating costs	2,000	1,069	1,027
Wages and employee benefits	279,500	267,567	251,674
	<u>\$ 478,390</u>	<u>\$ 452,870</u>	<u>\$ 448,695</u>

Consolidated Schedule of Governance Expenses

Year Ended December 31, 2015

	<i>Budget 2015</i>	2015	2014
Board memberships	\$ 5,000	\$ 4,269	\$ 4,409
Board liability	1,500	1,410	1,410
Chairman's budget	2,000	819	522
Conferences	2,750	2,801	931
Meetings - board	1,500	1,067	1,311
Meetings - committees	1,500	1,651	972
Meetings - executive	10,000	7,026	5,501
Professional fees	7,000	6,038	5,749
	<u>\$ 31,250</u>	<u>\$ 25,081</u>	<u>\$ 20,805</u>

Consolidated Schedule of Services to Branches Expenses

Year Ended December 31, 2015

	<i>Budget 2015</i>	2015	2014
Community librarian training	\$ 8,000	\$ 4,955	\$ 6,739
Equipment purchases	15,000	3,013	9
Evergreen Fund	20,000	-	-
Library and office supplies; equipment maintenance	17,500	28,222	15,942
Operating grants to branches	216,949	216,919	217,746
Postage and courier	8,000	7,864	8,056
Programs	23,000	40,764	38,502
Promotions and advertising	7,000	6,079	7,110
SILS	78,000	77,175	75,914
Telephone	2,500	2,297	2,286
Travel - mileage	1,000	841	792
Travel - office	1,500	486	652
Vehicle operating costs	62,000	39,819	41,604
Vehicle reserve fund	15,000	-	-
Wages and employee benefits	366,700	362,662	351,729
	\$ 842,149	\$ 791,096	\$ 767,081

Consolidated Schedule of Library Materials Expenses

Year Ended December 31, 2015

	<i>Budget 2015</i>	2015	2014
Electronic information databases	\$ 40,000	\$ 39,924	\$ 30,951
Amortization expense - book library	293,000	276,476	279,686
	<u>\$ 333,000</u>	<u>\$ 316,400</u>	<u>\$ 310,637</u>

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

Year Ended December 31, 2015

	<i>Budget 2015</i>	2015	2014
REVENUE			
Saskatchewan Ministry of Education	\$ 2,226	\$ 20,596	\$ 8,538
Membership fees	15,920	15,920	13,447
Provincial library fee	3,710	3,710	3,725
Interest income	-	866	1,037
Other revenue	6,678	-	745
System service fees	57,340	57,340	50,659
Evergreen fees	3,710	3,710	6,930
	<u>89,584</u>	<u>102,142</u>	85,081
EXPENSES			
Amortization	15,871	15,871	60,316
Human resource costs	34,147	37,727	29,443
Office	3,402	6,357	3,569
Peripherals/other expenses	47,212	71,339	61,469
Professional fees	1,113	1,008	735
	<u>101,745</u>	<u>132,302</u>	155,532
INCOME (LOSS) FROM OPERATIONS	<u>\$ (12,161)</u>	<u>\$ (30,160)</u>	<u>\$ (70,451)</u>

Consolidated Summary of Expenditures by Object

Year Ended December 31, 2015

	<i>Budget 2015</i>	2015	2014
Electronic databases	\$ 40,000	\$ 39,924	\$ 30,951
Purchased goods and services	757,316	651,427	631,152
Wages, benefits, honoraria, and non-operating grants	680,347	667,956	632,846
Amortization	308,871	358,442	407,801
	<u>\$ 1,786,534</u>	<u>\$ 1,717,749</u>	<u>\$ 1,702,750</u>