

**PALLISER REGIONAL LIBRARY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the consolidated statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The library board is composed of appointed officials who are not employees of the Library. The board is responsible for overseeing management in the performance of its financial reporting responsibilities. The board fulfils these responsibilities by reviewing the consolidated financial information prepared by the administration and discussing relevant matters with external auditors. The board is also responsible for recommending the appointment of the Library's external auditors.

Stark & Marsh CPA LLP, an independent firm of Chartered Professional Accountants, is appointed by the board to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the board and administration to discuss their audit findings.

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Board Chairperson

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Library Director

**Palliser Regional Library**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2021**

**Statement 1**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash - Note 8	\$ 232,004	\$ 633,738
Investments - Note 9	861,257	776,394
Accounts Receivable - Note 4	47,026	32,108
Member Deposits	47,495	47,496
	<u>1,187,782</u>	<u>1,489,736</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities - Note 10	118,621	306,574
Vacation Pay	86,340	96,748
Unearned Revenue - Note 5	97,599	163,359
<b>Total Liabilities</b>	<u>302,560</u>	<u>566,681</u>
<b>NET FINANCIAL ASSETS</b>	885,222	923,055
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule 1)	1,483,129	1,505,794
Prepaid Expenses	58,565	61,641
<b>Total Non-Financial Assets</b>	<u>1,541,694</u>	<u>1,567,435</u>
<b>Accumulated Surplus</b>	<u>\$ 2,426,916</u>	<u>\$ 2,490,490</u>

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Director

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Director

**Palliser Regional Library**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**As at December 31, 2021**

**Statement 2**

	<b>2021 Budget</b>	<b>2021</b>	<b>2020</b>
	(unaudited)		
<b>Revenues</b>			
Provincial Operating Grant	\$ 709,300	708,753	708,753
Municipal Grants	1,541,242	1,530,192	1,444,737
Other Grants	154,055	227,917	154,025
Donations	1,700	13,550	14,495
Interest	13,050	16,135	18,583
SILS Revenues (Note 7)	-	60,227	61,240
Other	13,650	16,001	21,337
	<u>2,432,997</u>	<u>2,572,775</u>	<u>2,423,170</u>
<b>Expenses</b>			
Governance (Schedule 2-1)	18,655	17,342	17,860
Administration (Schedule 2-1)	225,868	561,131	537,774
Services to Branches (Schedule 2-1)	511,506	569,644	481,951
Regional Resource Centre (Schedule 2-1)	1,148,454	939,554	856,102
Area Branch Services (Schedule 2-2)	90,034	75,263	59,777
Local Branch Services (Schedule 2-2)	438,480	413,822	352,400
SILS Expenses (Note 7)	-	62,417	55,963
	<u>2,432,997</u>	<u>2,639,173</u>	<u>2,361,826</u>
<b>Surplus (Deficit) for the Year from Operations</b>	-	(66,398)	61,344
<b>Accumulated Surplus, Beginning of Year - Restated</b>	-	2,490,490	2,428,711
Prior Period Adjustment	-	2,824	906
Change in Ownership of SILS (Note 2a)	-	-	(471)
<b>Accumulated Surplus, Beginning of Year</b>	-	<u>2,493,314</u>	<u>2,429,146</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ -</u>	<u>2,426,916</u>	<u>\$ 2,490,490</u>

**Palliser Regional Library**  
**Consolidated Statement of Remeasurement Gains and Losses**  
**As at December 31, 2021**

**Statement 3**

There are no remeasurement gains or losses for the Library.

**Palliser Regional Library**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
**As at December 31, 2021**

**Statement 4**

	<b>2021 Budget</b>	<b>2021</b>	<b>2020</b>
	(unaudited)		
<b>Net Financial Assets (Net Debt), Beginning of Year</b>	\$ -	923,055	\$ 804,114
<b>Surplus (Deficit) for the Year from Operations</b>	\$ -	(66,398)	\$ 61,344
Change in Ownership of SILS	-	-	(471)
Acquisition of Tangible Capital Assets	-	(289,223)	(229,999)
Proceeds on Disposal of Tangible Capital Assets	-	-	-
Net Loss (Gain) on Disposal of Capital Assets	-	-	-
Capital Assets - other	-	-	-
Amortization of Tangible Capital Assets	-	311,889	310,886
(Acquisition)/Use of Prepaid Expenses	-	3,075	(23,726)
Prior Period Adjustment	-	2,824	906
<b>Change in Net Financial Assets</b>	-	(37,833)	118,941
<b>Net Financial Assets (Net Debt), End of Year</b>	\$ -	885,222	\$ 923,055

**Palliser Regional Library**  
**Consolidated Statement of Cash Flows**  
**As at December 31, 2021**

**Statement 5**

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating Activities</b>		
<b>Surplus (Deficit) for the Year from Operations</b>	\$ (66,398)	\$ 61,344
Prior Period Adjustment	2,824	906
Change in Ownership of SILS	-	(471)
Non-Cash Items Included in Surplus / Deficit		
Amortization of Tangible Capital Assets	311,889	310,886
Net (Gain) Loss on Disposal of Tangible Capital Assets	-	-
Capital Assets - other	-	-
	<u>248,315</u>	<u>372,665</u>
Changes in Non-Cash Working Capital:		
Decrease (Increase) in Accounts Receivable	(14,918)	19,965
Decrease (Increase) in Member Deposits	1	(11)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(198,361)	212,044
Increase (Decrease) in Deferred Revenue	(65,760)	(485,208)
Decrease (Increase) in Prepaid Expenses	3,075	(23,726)
<b>Cash Provided (Used) by Operating Activities</b>	<u>(27,648)</u>	<u>95,729</u>
<b>Capital Activities</b>		
Cash Used to Acquire Tangible Capital Assets	(289,223)	(229,999)
Proceeds on Disposal of Tangible Capital Assets		
<b>Cash Provided (Used) by Capital Activities</b>	<u>(289,223)</u>	<u>(229,999)</u>
<b>Investing Activities</b>		
Cash Used to Acquire Investments, net	(84,863)	29,053
<b>Cash Provided (Used) by Investing Activities</b>	<u>(84,863)</u>	<u>29,053</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(401,734)	(105,216)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>633,738</u>	<u>738,954</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 232,004</u></u>	<u><u>\$ 633,738</u></u>

**Palliser Regional Library**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2021**

**1. Purpose and Authority**

Palliser Regional Library (the "Library") offers services and programs under the authority of The Public Libraries Act, 1996. The Library's Board of Directors (The "Board") plays an integral part in the Library's 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.

The Library is a registered charity and is therefore exempt from the payment of income tax pursuant to Section 149 of The Income Tax Act.

**2. Significant accounting policies**

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada).

Significant accounting policies are as follows:

- a) **Basis of Consolidation:** These consolidated financial statements include the Library's interest in the Saskatchewan Information & Library Services Consortium ("SILS") which has been proportionately consolidated. In the current year, the Library's share of SILS was 5.01% (2020 - 5.01%). All inter-entity transactions have been eliminated. Information on this Government Partnership can be found in Note 7 - Note regarding "Investment in Government Partnerships".
- b) **Revenue Recognition:** Levy revenue is recognized in the period for which the levy was assessed. Grant revenue is recognized when the funds are received, unless the grant is restricted for a specific purpose. Other revenue is recognized when it is earned.
- c) **Expenditure Recognition:** Expenditures are accounted for in the period in which the goods and services are acquired and a liability is incurred.
- d) **Capital Assets:** All capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Donated capital assets received are recorded at their fair market value at the date of contribution. Capital assets individually costing less than \$500 are expensed in the current year, except for library books and other resource materials that are capitalized as a group each year. Capital assets are amortized on a straight line basis over their estimated useful lives, with half year rule applied in the year of purchase. The library's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<b>Land</b>	Indefinite
<b>Buildings</b>	30 Yrs
<b>Vehicles &amp; Equipment</b>	
Vehicles	4-5 Yrs
Office furniture and equipment	8 Yrs
Computer equipment	5 Yrs
<b>Library Collection</b>	10 Yrs
<b>SILS Assets</b>	3-8 Yrs

Library collection materials are removed from cost and accumulated amortization the year after they are fully amortized.



**Palliser Regional Library**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2021**

**3. Budget Amounts**

The budget amounts in these financial statements were prepared by library management and approved by the Board on November 6, 2020.

**4. Accounts Receivable**

Accounts receivable is consist of the following:

	2021	2020
Trades receivable	\$ 10,375	\$ 2,218
GST receivable	14,218	12,808
Grants receivable	20,352	15,635
SILS trades receivable	2,081	1,447
Total	\$ 47,026	\$ 32,108

**5. Unearned Revenue**

	2021	2020
SILS	\$ 2,100	\$ 2,100
Unearned levies	-	62,052
Unearned grant revenue	95,499	99,207
Total	\$ 97,599	\$ 163,359

**Palliser Regional Library**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2021**

**2. Significant accounting policies - continued**

- e) **Cash and cash equivalents:** Cash and cash equivalents are represented by cash on hand and temporary investments with original maturities of three months or less.
- f) **Investments:** Portfolio investments that consist of equity instruments quoted in an active market are measured at fair value. All other investments are measured at amortized cost.
- g) **Non-financial assets:** Tangible capital and other non-financial assets are accounted for as assets by the Library because they can be used to provide library services in future periods. These assets do not normally provide resources to discharge the liabilities of the Library unless they are sold.
- h) **Appropriated reserves:** Reserves are established at the discretion of the Board to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 4.
- i) **Government contributions:** Government contributions for the acquisition of capital assets are reported as revenue and do not reduce the cost of the related asset.
- j) **Risk management:** Other than the risks noted below, it is management's opinion that the organization is not exposed to any significant risks arising from the financial instruments presented as of December 31, 2021.

**Liquidity risk:** Liquidity risk is the risk that the organization will not be able to meet financial obligations as they become due. The staff on behalf of the Library manages liquidity risk by continually monitoring cash flow requirements to ensure it has sufficient funds to meet obligations as they become due.

**Interest rate risk:** Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Library is not exposed to significant interest rate risk.

- k) **Financial instruments:** The organization has financial instruments consisting of accounts receivable, accounts payable, accrued liabilities and unearned revenue. The carrying value of these financial instruments approximates fair value due to their short term to maturity. See also note 1 f).
- l) **Measurement uncertainty:** The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period then ended. Actual amounts could differ from those estimates. Significant areas requiring the use of management estimates relate to the useful lives of buildings, furniture and equipment and the library collection (items with a definite life for amortization purposes), the cost of supplies inventories on hand and the amounts recorded as accrued liabilities.
- m) **Unearned revenue:** Unearned revenue consists of levy revenue received in advance, and certain restricted grants.

**Palliser Regional Library**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2021**

**6. Library materials expenditures**

The following is information on the Library's purchases of library materials for 2021 in comparison to 2020 and 2021 budget.

	2021 Budget	2021 Actual	2020 Actual
Books	191,936	\$ 195,002	\$ 191,314
Audio-visual Materials	62,143	37,318	38,286
Serials/Periodicals	12,000	10,040	20,077
Electronic reference materials and info databases	89,687	72,857	96,434
Total purchases of library materials	\$ 355,766	\$ 315,217	\$ 346,112

**Note:** A portion of the books and audio visual materials amounts shown above were capitalized as Tangible Capital Assets. The remaining amounts have been expensed.

**7. Investment in Government Partnerships**

The Saskatchewan Information & Library Service Consortium ("SILS") was incorporated in 2009 as a non-profit organization. The purpose of SILS is to develop and maintain a single integrated library information system for the Province, providing a common experience for library users throughout the Province. Each of the ten regional libraries made a \$50,000 deposit in 2009 to provide working capital otherwise SILS is funded by grants from the Ministry of Education and member libraries. The member libraries share in the annual operating expenses based on a service level formula.

The condensed supplementary financial information of SILS is as follows:

	2021 Actual	2020 Actual
<b>STATEMENT OF FINANCIAL POSITION</b>		
Financial assets	\$ 2,897,268	\$ 2,883,728
Financial liabilities	(682,394)	(689,315)
Net Financial Assets	2,214,874	2,194,413
<b>Non-Financial assets</b>		
Tangible capital assets	-	-
Prepaid expenses	321,451	326,050
	321,451	326,050
Accumulated Surplus	2,536,325	2,520,463
<b>STATEMENT OF OPERATIONS</b>		
Revenue	1,261,712	1,282,214
Expenses	(1,245,850)	(1,117,028)
Surplus (Deficit)	\$ 15,862	\$ 165,186

**Palliser Regional Library**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2021**

**7. Investment in Government Partnerships cont'd**

The SILS financial statements are proportionately consolidated with the Library financial statements at 5.01% (2020 - 5.01%) representing the Library's interest in SILS. After eliminating intercompany transactions, the following amounts have been included in the consolidated financial statements:

	<b>2021</b> @ 5.01%	<b>2020</b> @ 5.01%
<b>STATEMENT OF FINANCIAL POSITION</b>		
Financial assets	\$ 145,153	\$ 144,475
Financial liabilities	(34,188)	(34,535)
Net financial assets	110,965	109,940
<b>Non-financial assets</b>		
Tangible capital assets	-	-
Prepaid expenses	16,105	16,335
	16,105	16,335
<b>Accumulated surplus</b>	127,070	126,275
<b>STATEMENT OF OPERATIONS</b>		
Revenue	60,227	61,240
Expenses	(62,417)	(55,963)
Surplus (deficit)	\$ (2,190)	\$ 5,277

**8. Cash**

	2021	2020
Cash	\$ 93,713	\$ 362,035
Cash in investment account	-	68,525
Restricted cash:		
Unearned levies	-	62,052
Unearned grant revenue	95,499	99,207
SILS	42,792	41,919
<b>Total Cash</b>	\$ 232,004	\$ 633,738

Cash subject to restrictions such that the balance must be put towards certain uses is included in restricted cash.

**9. Investments**

	2021	2020
Guaranteed Investment Certificates (GICs)	\$ 760,977	\$ 677,725
SILS investments	100,280	98,669
<b>Total Investment</b>	\$ 861,257	\$ 776,394

Included in the GIC balance above is \$9,691 (2020 - \$9,691) relating to accrued interest.

**Palliser Regional Library**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2021**

**10. Accounts payable**

	2021	2020
Trades payable	\$ 30,566	\$ 49,826
Government payable	58,472	226,818
SILS	29,583	29,930
<b>Total Accounts payable</b>	<b>\$ 118,621</b>	<b>\$ 306,574</b>

**Palliser Regional Library**  
**Consolidated Schedule of Tangible Capital Assets by Object**  
**As at December 31, 2021**

**Schedule 1**

2021

2020

	Land	Buildings	Furniture & Equipment	Computer Equipment	Vehicle	SILS	Library Collection	2021		2020	
								Total		Total	
<b>Asset cost</b>											
Opening Asset costs	\$ 29,250	319,141	233,289	125,915	62,973		2,799,023	3,569,591		3,635,386	
Additions during the year			32,198	3,558	59,030		194,437	289,223		229,999	
Disposals during the year				(18,946)	(31,040)		(287,873)	(337,859)		(295,794)	
<b>Closing Asset Costs</b>	29,250	319,141	265,487	110,527	90,963	-	2,705,587	3,520,955		3,569,591	
<b>Accumulated Amortization Cost</b>											
Opening Accumulated Amortization Costs		243,520	212,193	71,708	62,973		1,473,402	2,063,796		2,048,704	
Add: Amortization taken		4,113	8,615	16,438	7,379		275,344	311,889		310,886	
Less: Accumulated amortization on disposals				(18,946)	(31,040)		(287,873)	(337,859)		(295,794)	
<b>Closing Accumulated Amortization Costs</b>	-	247,633	220,808	69,200	39,312	-	1,460,873	2,037,826		2,063,796	
<b>Net Book Value</b>	\$ 29,250	71,508	44,679	41,327	51,651	-	1,244,714	1,483,129		\$ 1,505,794	

**Palliser Regional Library**  
**Supplementary Details of Expenses**  
**As at December 31, 2021**

**Schedule 2 - 1**

	2021	2020
<b>Governance Expense</b>		
Purchased services	\$ 17,342	\$ 17,860
<b>Total Governance Expense</b>	<b>17,342</b>	<b>17,860</b>
<b>Administration Expense</b>		
Salaries and wages	169,878	151,237
Employee benefits	37,703	34,254
Purchased services	41,661	41,397
Library materials		
Amortization	311,889	310,886
<b>Total Administration Expense</b>	<b>561,131</b>	<b>537,774</b>
<b>Service to Branches</b>		
Salaries and wages	248,256	218,841
Employee benefits	35,431	28,189
Purchased services	62,904	36,459
ILLO	95,728	63,069
DLEP	70,714	78,529
SILS Fee	56,611	56,864
Library materials		
<b>Total Service to Branches Expense</b>	<b>569,644</b>	<b>481,951</b>
<b>Regional Resource Centre</b>		
Salaries and wages	719,104	652,334
Employee benefits	102,588	90,422
Purchased services	28,184	39,860
Library materials	89,678	73,485
<b>Total Regional Resource Centre Expense</b>	<b>\$ 939,554</b>	<b>\$ 856,102</b>

**Palliser Regional Library**  
**Supplementary Details of Expenses**  
**As at December 31, 2021**

**Schedule 2 - 2**

	2021	2020
<b>Area Branch Services</b>		
Salaries and wages	\$ 63,383	\$ 51,294
Employee benefits	9,264	7,658
Purchased services	2,616	825
Library materials		
<b>Total Area Branch Services Expense</b>	<b>75,263</b>	<b>59,777</b>
<b>Local Branch Services</b>		
Salaries and wages	309,981	268,569
Employee benefits	34,805	30,555
Purchased services	28,387	25,910
Library materials	40,649	27,366
<b>Total Local Branch Services Expense</b>	<b>413,822</b>	<b>352,400</b>
<b>SILS Expenses (Note 7)</b>	<b>62,417</b>	<b>55,963</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>\$ 2,639,173</b>	<b>\$ 2,361,826</b>



**Palliser Regional Library**  
**Consolidated Schedule of Expenses by Object**  
**As at December 31, 2021**

**Schedule 3**

	<b>Governance</b>	<b>Administration</b>	<b>Services to Branches</b>	<b>Regional Resource Centre</b>	<b>Area Resource Services</b>	<b>Local Branch Services</b>	<b>SILS Expenses</b>	<b>2021 Budget</b>	<b>2021</b>	<b>2020</b>
\$	17,342	207,581 41,661 311,889	283,687 62,904 95,728 70,714 - 56,611	821,692 28,184 89,678	72,647 2,616 -	344,786 28,387 40,649		1,813,212 94,908 - 93,000 16,250 355,766 59,861	1,730,393 181,094 311,889 95,728 70,714 130,327 56,611 62,417	\$ 1,533,353 162,311 310,886 63,069 78,529 100,851 56,864 55,963
\$	17,342	561,131	569,644	939,554	75,263	413,822	62,417	2,432,997	2,639,173	\$ 2,361,826

Wages, Benefits, and Honoraria  
Purchased Goods and Services  
Amortization  
ILLO  
DLEP  
Library Materials  
SILS Fee  
SILS Expenses

**Palliser Regional Library**  
**Consolidated Schedule of Accumulated Surplus**  
**As at December 31, 2021**

**Schedule 4**

	<b>2020</b>	<b>Changes</b>	<b>2021</b>
<b>UNAPPROPRIATED SURPLUS</b>	\$ 99,399	(4,507)	\$ 94,892
<b>INTERNALLY RESTRICTED SURPLUS</b>			
Branch Carryforwards	40,974	(28,916)	12,058
Assiniboia Carryforwards	-	3,500	3,500
Moose Jaw Carryforwards	2,205	34,150	36,355
<b>Total Internally Restricted Surplus</b>	<b>43,179</b>	<b>8,734</b>	<b>51,913</b>
<b>APPROPRIATED RESERVES</b>			
Automation	118,182	2,173	120,355
Equipment	97,868	3,270	101,138
Vehicle	153,113	(51,965)	101,148
Building	104,760	1,926	106,686
Wages	16,661	10,491	27,152
Sick Pay Reserve - Local Branches	19,980	367	20,347
Sick Pay Reserve - Assiniboia	15,555	286	15,841
Evergreen Reserve	45,646	720	46,366
Public Access Computers	15,830	4,133	19,963
Joan Heaton Estate Donation - MJ	64,137	1,829	65,966
Joan Heaton Estate Donation - BR	50,621	(2,797)	47,824
Programming Reserves - AS	19,706	370	20,076
Programming Reserves - BR	39,277	(28,299)	10,978
Library Renovations - AS	30,967	9,377	40,344
SILS Reserves	48,909	1,065	49,974
<b>Total Appropriated Reserves</b>	<b>841,212</b>	<b>(47,054)</b>	<b>794,158</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 1)	1,505,794	(22,665)	1,483,129
Less: Related debt			
<b>Net Investment in Tangible Capital Assets</b>	<b>1,505,794</b>	<b>(22,665)</b>	<b>1,483,129</b>
<b>Prior period adjustment</b>	<b>906</b>	<b>1,918</b>	<b>2,824</b>
<b>Total Accumulated Surplus</b>	<b>\$ 2,490,490</b>	<b>(63,574)</b>	<b>\$ 2,426,916</b>