



Wapiti Regional Library
Serving Central Saskatchewan

April 21, 2017

Wapiti Regional Library Finances: Countering Saskatchewan Government Misinformation

After receiving a 58% cut in funding from the province on March 22, 2017 which exclusively affects the Wapiti Regional Office's ability to provide infrastructural support to our communities' libraries, Wapiti Regional Library wishes to clarify and dispel some wildly inaccurate financial claims made by the Saskatchewan Government's Ministry of Education. Wapiti Regional Library has always had a very productive and positive partnership with the region's municipalities to bring library services to the region's citizens, and we certainly would not want our partners and stakeholders to think we are being fiscally irresponsible, as the Ministry of Education and some Sask Party MLAs have insinuated.

Wapiti Regional Library was informed by a Wapiti library patron that a staffer from Sask Party MLA Scott Moe's office had claimed that Wapiti Regional Library had \$2.8 million in "reserves," and that Wapiti could offset the government's budget cuts to regional libraries by spending out these purported reserves. When Wapiti contacted Mr. Moe's office, the same staffer revealed that this inaccurate and inflated "reserve" amount of \$2.8 million was included in "new talking points from Minister Morgan's office."

The story then changed from regional library "reserves," to equally inaccurate and inflated claims that regional libraries had massive "accumulated surpluses." Sask Party MLA Tina Beaudry-Mellor claimed in a March 31 letter to a constituent that "regional libraries have accumulated substantial surpluses," and claimed that Wapiti Regional Library had \$2,882,080 in "accumulated surpluses" (again, inflated and inaccurate). Note: The fact that Wapiti could not plausibly have \$2.8 million in both reserves and surpluses clearly pointed to the falsehood of the MLAs' claims. As well, the above "reserve" and "accumulated surplus" numbers were given out to the public with no context, which is nothing short of irresponsible on the part of The Ministry of Education and the Sask Party MLAs who doled out this information.

Unfortunately, these claims have gone out to the public, and create the entirely false impression that Saskatchewan regional Libraries have been fiscally irresponsible, and have been hoarding financial stockpiles of reserves and surpluses (our government does not appear to know the difference between reserves and surpluses, which is in itself a rather grave concern).

On April 10, Minister Morgan admitted during a Human Services Committee meeting that "there was certainly some misinformation that was gone (sic) based on using the term 'accumulated surplus,'" and added later that "to use the accumulated surplus as a term for reserve would be inaccurate, and we've asked our MLAs to correct that" (382). Wapiti asked that the Minister of Education make a public retraction of the Ministry's misrepresentation of Saskatchewan regional library finances - more public than expecting Saskatchewan citizens to seek out clarifications in the Legislature's Hansard - and have yet to see such a retraction.

Not to be deterred, Minister Morgan then provided new regional library reserve numbers to the Human Services Committee, this time providing a more accurate \$467,042 reserve for Wapiti. However, this number was again provided without any context, other than the vague explanation that "They may include some restricted reserves because of sick leave or some bequests, but by and large, these would be what we understand to be the reserves that we know of" (382).

To help the Ministry of Education gain some clarity, the Wapiti reserve of \$467,042 can be found on page 5 of our 2015 Audited Financial Statement, under the clearly titled category "Internally Restricted Reserves." As our 2015 Audited Financial Statement also makes clear (p. 9) that the "Internally Restricted Reserves" category breaks down into the following clearly explained sub-categories:

- **Automation** -- designated for capital expenditures related to automation of the library
- **Building** -- designated for capital or renovation expenditures of the Regional Office building
- **Equipment** -- designated for capital expenditures related to Regional Office equipment
- **Vehicle** -- designated for capital expenditures related to automobile or van purchases
- **Aboriginal Reserve** -- designated for expenses related to provincial funding intended to ensure off reserve residents are able to receive off-reserve library services
- **Marion Gilroy Bequest** -- Established in 1982, a bequest from the Estate of M. Gilroy, Supervisor of Saskatchewan Libraries 1945 - 1963
- **Marion Sherman Bursary** -- Established in 1988, in memory of E. Marion Sherman, Chairman of the Wapiti Regional Library 1950 - 1984, the bursary is designed to promote children's librarianship in Saskatchewan
- **Contingency** -- designated for unforeseen emergency expenditures

Ironically, the "Contingency" reserve category was originally created in 2015 to offset continued cuts to Wapiti's provincial funding, after several years of cuts under the Ministry of Education's ambiguous and oxymoronic "zero per cent increases" over the last several years. Otherwise, the category reserves listed above are indeed restricted, and exist as part of sound business practice on Wapiti's part. We have seen the government use the phrase "rainy day" when referring to regional library reserves, but in Wapiti's case, that's in part quite accurate, as we need a new roof for our aging Regional Office building. "Wintery Day" might also apply, as we have reserves set aside in the event that our 55 year old boiler (original to the building) stops functioning. Does our government really want us not to be prudent and not prepare for such inevitabilities? While Wapiti Regional Library is pleased to see Minister Morgan walking back his Ministry's misinformation about Wapiti finances, we are still waiting for a more public retraction, other than comments made in committee.

Saskatchewan. Legislative Assembly of Saskatchewan. Standing Committee on Human Services. Hansard Verbatim Report. No. 23 - April 10, 2017. Retrieved from the Legislative Assembly of Saskatchewan website:
<http://docs.legassembly.sk.ca/legdocs/Legislative%20Committees/HUS/Debates/170410Debates-HUS.pdf>