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Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

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Submission Checklist

Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

a)	<input checked="" type="checkbox"/>	Approval of Statement of Financial Information
b)	<input checked="" type="checkbox"/>	A Management Report signed and dated by the Library Board and Library Director
An operational statement including:		
c)	<input checked="" type="checkbox"/>	i) Statement of Income
	<input checked="" type="checkbox"/>	ii) Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to the Financial Statements (audited ¹ financial statements)
d)	<input checked="" type="checkbox"/>	Statement of assets and liabilities (audited ¹ financial statements)
e)	<input checked="" type="checkbox"/>	Schedule of debts (audited ¹ financial statements) If there is no debt, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
f)	<input checked="" type="checkbox"/>	Schedule of guarantee and indemnity agreements including the names of the entities involved and the amount of money involved. If no agreements, or if the information is found elsewhere in the SOFI, an explanation must be provided in the Schedule.
Schedule of Remuneration and Expenses, including:		
g)	<input checked="" type="checkbox"/>	i) An alphabetical list of employees (first and last names) earning over \$75,000
	<input checked="" type="checkbox"/>	ii) Total amount of expenses paid to or on behalf of each employee under 75,000
	<input checked="" type="checkbox"/>	iii) If the total wages and expenses differs from the audited financial statements, an explanation is required
	<input checked="" type="checkbox"/>	iv) A list, by name and position, of Library Board Members with the amount of any remuneration paid to or on behalf of the member.
	<input checked="" type="checkbox"/>	v) The number of severance agreements started during the fiscal year and the range of months` pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required.
Schedule of Payments for the Provision of Goods and Services including:		
h)	<input checked="" type="checkbox"/>	i) An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required.

¹ Municipal Libraries and Regional Library Districts must provide audited financial statements as per the *Libraries Act* section 11(2) and 26(2) (a). Audited statements are not required for the SOFI but if available, please include them.

As per the Libraries Act section 40(3)(a) Public Library Associations must prepare annual financial statements in accordance with generally accepted accounting principles. This also applies to Library Federations.

Board Approval Form

Financial Information Act - Statement of Financial Information

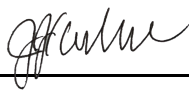
NAME OF LIBRARY InterLINK Federated Public Library System	FISCAL YEAR END (YYYY) 2021
LIBRARY ADDRESS #158-5489 Byrne Rd	TELEPHONE NUMBER 604-437-8441
CITY Burnaby	PROVINCE BC
	POSTAL CODE V5J 3J1
NAME OF THE CHAIRPERSON OF THE LIBRARY BOARD Josie Chuback	TELEPHONE NUMBER 604-723-7131
NAME OF THE LIBRARY DIRECTOR Michael Burris	TELEPHONE NUMBER 604-437-8441

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information of the year ended 2021 for InterLINK Federated Public Library System as required under Section 2 of the Financial Information Act.

SIGNATURE OF THE CHAIRPERSON OF THE LIBRARY BOARD*

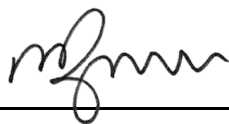
DATE SIGNED (DD-MM-YYYY)



24-06-2022

SIGNATURE OF THE LIBRARY DIRECTOR

DATE SIGNED (DD-MM-YYYY)



24-06-2022

Management Report

Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of the Library is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

On behalf of InterLINK Federated Public Library System

**Name. Chairperson of the
Library Board [Print]**

Josie Chuback

**Signature,
Chairperson of the Library
Board**



**Date
(MM-DD-YYYY)**

06-24-2022

**Name,
Library Director [Print]**

Michael Burris

**Signature,
Library Director**



**Date
(MM-DD-YYYY)**

06-24-2022

INTERLINK FEDERATED PUBLIC LIBRARY
SYSTEM

FINANCIAL STATEMENTS

DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Directors of InterLINK Federated Public Library System:

vancouver@bakertilly.ca
www.bakertilly.ca

Opinion

We have audited the financial statements of InterLINK Federated Public Library System which comprise the statement of financial position as at December 31, 2021 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of InterLINK Federated Public Library System as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the InterLINK Federated Public Library System in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of InterLINK Federated Public Library System to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate InterLINK Federated Public Library System or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing InterLINK Federated Public Library System's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 InterLINK Federated Public Library System's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of InterLINK Federated Public Library System to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause InterLINK Federated Public Library System to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

May 31, 2022
Vancouver, Canada

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current assets			
Cash		\$ 133,739	\$ 90,579
Short term deposits (note 3)		701,936	604,848
Accounts receivable (note 9b)		24,554	59,495
Prepaid expenses		<u>21,344</u>	<u>28,895</u>
		881,573	783,817
Capital assets (note 4)		<u>26,474</u>	<u>44,354</u>
		<u><u>\$ 908,047</u></u>	<u><u>\$ 828,171</u></u>

LIABILITIES AND NET ASSETS

Current liabilities			
Accounts payable and accrued liabilities		\$ 100,161	\$ 63,345
Deferred revenue (note 6)		105,762	27,273
Payable to member libraries (note 7 and 9(b))		<u>206,535</u>	<u>146,254</u>
		<u>412,458</u>	<u>236,872</u>
Net assets			
Net assets invested in capital assets		26,474	44,354
Net assets internally restricted (note 8)		441,617	227,881
Unrestricted net assets		<u>27,498</u>	<u>319,064</u>
		495,589	591,299
		<u><u>\$ 908,047</u></u>	<u><u>\$ 828,171</u></u>

Commitments and contingent liabilities (note 9(c))

Approved by the Directors:


_____, Chair


_____, Director

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Revenues		
Membership levies	\$ 371,325	\$ 543,625
Grants/contributions from governments (note 5)	1,081,385	1,004,597
New to B.C. Project administration fees	34,360	24,556
Project LLEAD	51,716	25,188
Circulation fees (note 7)	36,564	78,694
Other	<u>21,815</u>	<u>48,280</u>
	<u>1,597,165</u>	<u>1,724,940</u>
Expenses		
Amortization	17,880	17,498
Audiobooks – library acquisition costs	104,952	90,487
Board/committees/membership	3,949	4,201
Courier and delivery expenses	71,669	37,998
New to B.C. Project – Federal	513,378	403,597
Office and miscellaneous	87,757	73,548
Professional fees	8,723	8,200
Project LLEAD	51,716	25,188
Rent	27,177	27,217
Resource sharing – Canadian Hosting / UBC	20,585	17,870
Salaries and benefits	437,859	402,403
Vehicle operation	15,838	8,999
Youth services committee	<u>21,626</u>	<u>7,457</u>
	1,383,109	1,124,663
Circulation fees and regional resource provider costs (notes 7 and 9b)	<u>309,766</u>	<u>324,948</u>
	<u>1,692,875</u>	<u>1,449,611</u>
(Deficiency) excess of revenues over expenses for the year	<u>\$ (95,710)</u>	<u>\$ 275,329</u>

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>				<u>2020</u>
	<u>Invested in Capital Assets</u>	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of the year	\$ 44,354	\$ 227,881	\$ 319,064	\$ 591,299	\$ 315,970
Transfers between internally restricted and unrestricted (note 8)	---	213,736	(213,736)	---	---
Excess (deficiency) of revenues over expenses for the year	<u>(17,880)</u>	<u>---</u>	<u>(77,830)</u>	<u>(95,710)</u>	<u>275,329</u>
Balance, end of the year	<u>\$ 26,474</u>	<u>\$ 441,617</u>	<u>\$ 27,498</u>	<u>\$ 495,589</u>	<u>\$ 591,299</u>

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Cash from operating activities		
(Deficiency) excess of revenues over expenses for the year	\$ (95,710)	\$ 275,329
Items not involving cash:		
Amortization	17,880	17,498
Accrued interest revenue	<u>2,912</u>	<u>11,627</u>
	<u>20,792</u>	<u>29,125</u>
	(74,918)	304,454
Changes in non-cash working capital items:		
Increase (decrease) in accounts receivable	34,941	(8,232)
Increase (decrease) in prepaid expenses	7,551	(18,805)
Increase in accounts payable and accrued liabilities	36,816	12,998
Increase (decrease) in deferred revenue	78,489	(78,835)
Increase (decrease) in payable to member libraries	<u>60,281</u>	<u>(168,522)</u>
	<u>143,160</u>	<u>43,058</u>
Cash (used in) from investing activities		
Proceeds from maturities of short-term deposits	600,000	600,000
Purchases of short-term deposits	<u>(700,000)</u>	<u>(600,000)</u>
	<u>(100,000)</u>	<u>---</u>
Increase in cash and cash equivalents for the year	43,160	43,058
Cash, beginning of the year	<u>90,579</u>	<u>47,521</u>
Cash, end of the year	<u>\$ 133,739</u>	<u>\$ 90,579</u>

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. General information

InterLINK Federated Public Library System ("InterLINK"), a not-for-profit organization, was incorporated under the provisions of the Library Act of British Columbia on April 1, 1994. As a registered charity under the Income Tax Act, InterLINK is exempt from federal and provincial income taxes. The primary purpose of InterLINK is to serve member libraries through the provision of open access to library services and the development and implementation of collaborative service efficiencies and enhancements.

InterLINK is dependent upon the grants/contributions from governments for a substantial portion of its revenue.

2. Summary of significant accounting policies

a) Change in Accounting Policy

InterLINK has adopted the amendments to *CPA Handbook* Section 3856, Financial Instruments. The amendments have been adopted effective January 1, 2020, the beginning of the earliest comparative period in those financial statements (the "transition date"). The amendments provide guidance on the accounting for financial instruments arising from transactions between both arm's-length and related parties and require disclosure of enterprise-specific information related to significant risks arising from financial instruments.

InterLINK has applied the amendments retrospectively, in accordance with the transition provisions. The amendments provide transition relief for instruments without repayment terms to be measured at their pre-adoption carrying amount less impairment at the transition date. Transition relief is also provided for instruments extinguished or derecognized prior to the transition date, such that only instruments existing on the transition date need to be assessed.

The adoption of the amendments had no impact on InterLINK's financial statements other than the enterprise-specific risk disclosures related to significant risks arising from InterLINK's financial instruments (see Note 9a).

b) Basis of presentation - InterLINK's accounting policies and its standards of financial disclosure are in accordance with Canadian accounting standards for not-for-profit organizations.

c) Revenue recognition - InterLINK follows the deferral method of accounting for grants/contributions. Restricted grants/contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants/contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership levies which are assessed annually for each fiscal year are recognized as revenue when they are received. Administration fees for the New to B.C. Project and circulation fees are recognized when the service is rendered. Interest revenue is recognized on a time proportion basis.

d) Financial instruments

Arm's Length Transactions

Measurement of financial instruments

InterLINK measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions.

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Arm's Length Transactions - continued

InterLINK subsequently measures all of its financial assets and financial liabilities at amortized cost.

Related Party Transactions

Measurement of financial instruments

InterLINK measures all related party financial instruments recognized in these financial statements at either the cost of the related party financial instruments, or at the cost of the consideration exchanged for the related party financial instrument. Measurement is based on the nature of the financial instrument, and depends on whether the instrument has repayment terms. InterLINK has no related party financial instruments required to be measured at fair value.

When the instrument has repayment terms, the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, and less any impairment losses previously recognized by the transferor.

When the related party financial instrument has no repayment terms, the cost of the instrument is determined using the consideration transferred or received.

Related party financial instruments initially measured at cost are subsequently measured using the cost method.

Transaction Costs

Transaction costs related to the acquisition or issuance of financial instruments subsequently measured at fair value and to instruments originated or exchanged in a related party transaction are recognized in the statement of operations when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition or issuance of the instrument, and the adjustment is recognized in the statement of operations over the life of the instrument using the straight-line method.

Impairment

Financial assets measured at amortized cost and related party financial assets measured using the cost method are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in the statement of operations. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

- e) Audiobooks - InterLINK maintains audiobooks for its member libraries. Audiobook acquisitions are charged to operations as incurred.
- f) Capital assets - Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is calculated by the straight-line method over the estimated useful lives of the assets:

Computers and equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	term of the lease
Vehicle	5 years

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Summary of significant accounting policies – continued

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the asset exceeds its fair value. An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

- g) Expenses - Expenses are recorded when incurred on an accrual basis.
- h) Contributed services and materials - Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. InterLINK records the fair value of contributed materials at the time of receipt, where such fair value is determinable, and the materials would otherwise have been purchased. InterLINK did not receive any such contributed materials in the years ended 2021 and 2020.
- i) Use of estimates - The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of useful lives of capital assets for purposes of calculating amortization and the amount payable to member libraries.
- j) Foreign currency translation – Monetary assets and liabilities which are denominated in foreign currencies are translated in Canadian dollars using the exchange rate in effect at the year end date. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and the liabilities were incurred. Revenues and expenses are translated at the rates of exchange in effect at their transaction dates. For the years presented, there are no material foreign exchange gains or losses affecting the statement of operations.

3. Short-term deposits

	<u>2021</u>	<u>2020</u>
Cashable guaranteed investment certificates with interest at the following rate per annum		
- Bank of Nova Scotia, due April 8, 2021 (1.1%)	---	100,808
- Bank of Nova Scotia, due April 8, 2021 (1.1%)	---	100,808
- Bank of Nova Scotia, due April 8, 2021 (1.1%)	---	100,808
- Bank of Nova Scotia, due April 8, 2021 (1.1%)	---	100,808
- Bank of Nova Scotia, due April 8, 2021 (1.1%)	---	100,808
- Bank of Nova Scotia, due April 8, 2021 (1.1%)	---	100,808
- Bank of Nova Scotia, due June 21, 2022 (0.35%)	100,186	---
- Bank of Nova Scotia, due October 8, 2022 (0.47%)	100,345	---
- Bank of Nova Scotia, due October 8, 2022 (0.47%)	100,345	---
- Bank of Nova Scotia, due November 5, 2022 (0.47%)	100,310	---
- Bank of Nova Scotia, due December 21, 2022 (0.47%)	100,250	---
- Bank of Nova Scotia, due December 21, 2022 (0.47%)	100,250	---
- Bank of Nova Scotia, due December 21, 2022 (0.47%)	<u>100,250</u>	<u>---</u>
	<u>\$ 701,936</u>	<u>\$ 604,848</u>

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

4. Capital assets

	<u>2021</u>			<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computers and equipment	\$ 59,666	\$ 59,230	\$ 436	\$ 958
Furniture and fixtures	18,399	18,399	---	---
Leasehold improvements	56,060	56,060	---	---
Vehicle	<u>86,791</u>	<u>60,753</u>	<u>26,038</u>	<u>43,396</u>
	<u>\$ 220,916</u>	<u>\$ 194,442</u>	<u>\$ 26,474</u>	<u>\$ 44,354</u>

5. Grants/contributions from governments

	<u>2021</u>	<u>2020</u>
Provincial grants received during the year		
Operating grant	\$ 601,000	\$ 601,000
Federal contributions received during the year		
New to BC Project	<u>480,385</u>	<u>403,597</u>
Total grants/contributions from governments	<u>\$ 1,081,385</u>	<u>\$ 1,004,597</u>

6. Deferred revenue

	<u>2021</u>	<u>2020</u>
Externally restricted		
Provincial government grant for Project LLEAD	6,597	6,597
Federal contributions for New to BC Project	---	18,679
Registrations and sponsorships for Project LLEAD	97,565	1,997
Other restricted projects	<u>1,600</u>	<u>---</u>
	<u>\$ 105,762</u>	<u>\$ 27,273</u>

7. Circulation fees and regional resource provider costs

InterLINK charges fees from and pays fees to net service provider libraries based on their provision of circulation and reference services to non-residents of their service areas. InterLINK paid \$182,818 (2020 - \$393,470) to net service provider libraries in 2021 for 2020 activities. InterLINK intends to make a payment in 2022 of \$258,169 (2020 - \$182,818) to net service provider libraries with respect to 2021 activities. \$206,535 (2020 - \$146,254) of this amount is included in current liabilities at December 31, 2021 representing the budgeted amount of operating revenue received in 2021 to be allocated to member libraries. The remaining \$51,634 (2020 - \$36,564) is expected to be charged in 2022 from contributions from net service borrowing libraries. InterLINK paid \$66,667 (2020 - \$100,000) to the regional resource provider which was funded by levies to members in 2021. InterLINK is committed to pay \$33,333 (2020 - \$66,667) to the regional resource provider which is expected to be funded by levies to members in 2022.

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

7. Circulation fees and regional resource provider costs - continued

	<u>2021</u>	<u>2020</u>
Payments made to member libraries	182,818	393,470
Payment made to regional service provider	<u>66,667</u>	<u>100,000</u>
Total payments to member libraries	249,485	493,470
Increase (decrease) in accrued amount payable to member libraries	<u>60,281</u>	<u>(168,522)</u>
Total expenditure to member libraries and regional service provider	<u>\$ 309,766</u>	<u>\$ 324,948</u>

8. Net assets internally restricted

The breakdown of the internally restricted net asset amounts allocated by the board of directors is as follows:

	<u>2021</u>	<u>2020</u>
Capital assets reserve	\$ 43,881	\$ 36,881
Transfer from unrestricted net assets to restricted net assets	<u>7,000</u>	<u>7,000</u>
	<u>50,881</u>	<u>43,881</u>
Operating reserve	<u>125,000</u>	<u>125,000</u>
Project reserve	59,000	59,000
Transfer from unrestricted net assets to restricted net assets	<u>106,807</u>	<u>---</u>
	<u>165,807</u>	<u>59,000</u>
Compensation reserve	---	---
Transfer from unrestricted net assets to restricted net assets	<u>99,929</u>	<u>---</u>
	<u>99,929</u>	<u>---</u>
	<u>\$ 441,617</u>	<u>\$ 227,881</u>

The internally restricted amounts are not available for other purposes without approval of the board of directors.

9. Other information

a) Financial instruments risks

Items that meet the definition of a financial instrument include cash, short-term deposits, accounts receivable, accounts payable and accrued liabilities, and payable to member libraries.

Financial instrument transactions, such as collecting receivables, and settling payables may result in exposure to significant financial risks and concentrations of risk.

The nature and extent of significant risks as at December 31, 2021 are described below. There have been no changes to the significant risks from the prior year.

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

9. Other information (continued)

a) Financial instruments risks (continued)

- i) Credit risk - The financial instruments that potentially subject InterLINK to a significant concentration of credit risk consist primarily of cash and short-term deposits and accounts receivable. InterLINK mitigates its exposure to credit loss related to cash and short-term deposits by dealing with major financial institutions and mitigates its exposure to credit loss related to its accounts receivable by extending credit only to its member libraries.
- ii) Interest rate risk - InterLINK is exposed to interest rate fair value risk from its interest-bearing assets (note 3).
- iii) Liquidity risk - Liquidity risk relates to the risk InterLINK will encounter difficulty in meeting its obligations associated with financial liabilities. Its financial liabilities consist of accounts payable and accrued liabilities, and payable to member libraries. Management closely monitors cash flow requirements to ensure that it has sufficient cash available to meet financial obligations.

b) Related party transactions

The amounts due to member libraries are unsecured, non-interest bearing, have no set repayment terms and these amounts and the transfers to member libraries and regional resources providers are recorded at the exchange amounts as agreed by the parties.

Included in accounts receivable is amounts due from member libraries of \$2,003 (2020 - \$4,289).

c) Commitments and contingent liabilities

InterLINK has a long-term operating lease with respect to its premises. Under the lease, InterLINK is required to pay a base rent plus certain operating expenses incurred by the lessor of InterLINK's premises and contains a renewal option for a further term of five years. Future minimum lease payments as at year end are as follows:

Year ending December 31,	2022	\$	22,189
	2023		24,489
	2024		25,242
	2025		25,996
	2026		26,749
	Thereafter		<u>13,563</u>
		\$	<u>138,228</u>

Certain employees accumulate sick leave entitlement on a monthly basis, but they can only use this entitlement for paid time off under certain circumstances. No provision has been recorded relating to any potential future obligations to the employees as the related cost, if any, is not determinable.

d) Employee pensions

Certain employees of InterLINK are members of a multi-employer defined benefit pension plan. InterLINK's contributions are not segregated in a separate account. A contribution rate is established periodically to ensure that the pension plan assets are adequate to cover the pension plan's future benefit payments. Salaries and benefits expense includes \$36,333 (2020 - \$34,386) of contributions by InterLINK to the pension plan.

INTERLINK FEDERATED PUBLIC LIBRARY SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

10. Update on COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within InterLINK's environment and in the global markets due to the possible disruption in supply chains, and measures introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have an impact on InterLINK's future operations and financial results.

InterLINK cannot estimate the length and gravity of the COVID-19 pandemic. The COVID-19 pandemic resulted in decreased revenue in 2021. InterLINK is continually monitoring and assessing new information and recommendations from health and government authorities as these became available, and will continue to respond accordingly.

Schedule of Debt

Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

The **InterLINK Federated Public Library System** has no long term debt.

Schedule of Guarantee and Indemnity

Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

InterLINK Federated Public Library System has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

Schedule 8 - Remuneration and Expenses

Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

Board Members ¹	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/ Mileage etc.)
Josie CHUBACK, Board Chair	n/a	\$273.88
Jane DUBER, Board Member	n/a	\$10.00
Janet JAMIESON, Board Member	n/a	\$25.00
Danielle LEMON, Board Member	n/a	\$25.00
William LAWRIE, Board Member	n/a	\$25.00
Total Board Members	\$0.00	\$358.88
Detailed Employees Exceeding \$75,000 ¹	Total Remuneration (Wages/Salaries)	Total Expenses (Reimbursement for Conferences/ Mileage etc.)
Michael BURRIS	\$143,913.00	\$176.39
Allie DOUGLAS	\$78,020.00	\$0.00
Total Employees Exceeding \$75,000	\$221,933.00	\$176.39
Total Employees Equal to or Less Than \$75,000	Total Remuneration (Wages/ Salaries)	Total Expenses (Reimbursement for Conferences/ Mileage etc.)
DO NOT USE	\$137,449.00	\$100.00
Consolidated Total ²	Total Remuneration (Wages/ Salaries)	Total Expenses (Reimbursement for Conferences/ Mileage etc.)
DO NOT USE	\$359,382.00	\$635.27
Total Employer Premium for Canada Pension Plan and Employment Insurance (Component of Receiver General for Canada Supplier Payment) ³	DO NOT USE	\$17,966.00

Reconciliation of Remuneration and Expenses

Total Remuneration	Amount
DO NOT USE	\$359,382.00

Reconciling Items ¹	Amount
Payroll Expense -Employer Premium CPP / EI (see abv)	\$17,966.00
Worksafe BC	\$640.00
Extended Health Benefits - Employer share only	\$15,302.00
Municipal Pension Plan - Employer share only	\$36,077.00
Payroll Tax adjustment per auditors	\$5,189.00
Increase to Salaries Payable	\$3,303.00
Total Reconciling Items	\$78,477.00

Total Per Statement of Revenue & Expenditure ⁴	Amount
DO NOT USE	\$437,859.00

Variance ⁵	Amount
DO NOT USE	\$0.00

¹ Insert additional rows as necessary.

² Total Remuneration and Total Expenses columns MUST REMAIN SEPARATE throughout the form.

³ If this amount exceeds \$25,000, ensure it is reported accordingly on Schedule 11.

⁴ Financial Statements (#05) Total for salary and benefits per Statement of Revenue and Expenditure.

⁵ A Reconciliation to the financial statements is required, and any variance must be explained.

Statement of Severance Agreements

Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

There were no severance agreements made between **InterLINK Federated Public Library System** and its non-unionized employees during fiscal year 2021.

Schedule of Changes in Financial Position

Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

A Statement of Changes in Financial Position has not been prepared because this information is provided in the Financial Statements.

Schedule 11 - Provision of Goods and Services

Financial Information Act - Statement of Financial Information

Library Name: InterLINK Federated Public Library System

Fiscal Year Ended: December 31, 2021

Name of Individual, Firm or Corporation ^{1,2}	Total Amount Paid During Fiscal Year
1) R & M BARICHELLO	\$27,177.00
2) Blackstone Publishing	\$32,087.00
3) Canpar Courier	\$63,467.00
4) Curve Communications	\$34,310.00
5) Ben HART	\$72,768.00
6) Nina MILLER	\$82,054.00
7) Municipal Pension Plan (Employer Share)	\$36,077.00
8) Peers Employment	\$199,836.00
9) Ulverscroft	\$64,253.00
10) Branka VLASIC	\$82,124.00
Totals	Amount
Total (Suppliers with payments exceeding \$25,000	\$694,153.00
Total (Suppliers where payments are \$25,000 or less)	\$269,294.00
Consolidated Total	\$963,447.00
Reconciliation of Goods and Services	Amount
Total of Aggregate Payments Exceeding \$25,000 Paid to Suppliers	\$694,153.00
Consolidated Total of Supplier Payments of \$25,000 or Less	\$269,294.00
Reconciling Items ¹	Amount
Salaries and benefits (less MPP, # 7 above)	\$401,782.00
Amortization expenses	\$17,880.00
Transfers to Member Libraries ("Circulation fees and reg. res. prov.")	\$309,766.00
Total Reconciling Items	\$729,428.00
Reconciliation	Amount
Total Per Statement of Revenue and Expenditure ³	\$1,692,875.00
Variance ⁴	\$0.00

¹ Insert additional rows as necessary

² Ensure to include the Receiver General (CPP and EI) if the amount exceeds \$25,000

³ Financial Statements (#05) Total per Statement of Revenue and Expenditure

⁴ A Reconciliation to the financial statements is required, and any variance must be explained.