

CHINOOK ARCH LIBRARY BOARD
Financial Statements
Year Ended December 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Chinook Arch Library Board

Opinion

We have audited the financial statements of Chinook Arch Library Board (the Board), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, revenues and expenses and 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 the Board as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Board in accordance with 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 ASNPO, 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 Board's ability 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 the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board'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.

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* denotes professional corporation

Independent Auditor's Report to the Members of Chinook Arch Library Board *(continued)*

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 the Board'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 Board's ability 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 the Board 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.

Lethbridge, AB
April 4, 2024

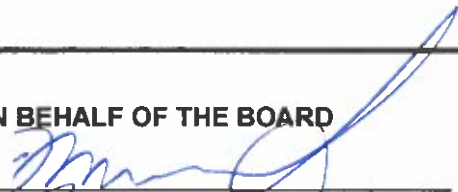
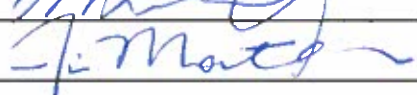
INSIGHT^{CPA}

Chartered Professional Accountants

CHINOOK ARCH LIBRARY BOARD
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents (Note 3)	\$ 1,392,190	\$ 1,595,396
Restricted cash (Note 4)	56,721	25,211
Accounts receivable	15,411	37,323
Goods and services tax recoverable	29,327	18,123
Employee computer loans (Note 5)	2,569	871
Prepaid expenses	240,820	173,471
	1,737,038	1,850,395
PROPERTY AND EQUIPMENT (Note 6)	2,381,613	2,486,851
	\$ 4,118,651	\$ 4,337,246
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 59,137	\$ 54,582
Receiver General payroll liabilities	17,263	16,970
Employee benefit obligations (Note 7)	178,500	191,065
Deferred revenue (Note 8)	56,721	25,211
	311,621	287,828
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	1,877,724	1,958,796
	2,189,345	2,246,624
NET ASSETS	1,929,306	2,090,622
	\$ 4,118,651	\$ 4,337,246

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

CHINOOK ARCH LIBRARY BOARD
Statement of Changes in Net Assets
Year Ended December 31, 2023

	Unrestricted Fund 2023	Internally Restricted Fund 2023 <i>(Note 10)</i>	Externally Restricted Fund 2023 <i>(Note 10)</i>	Capital Fund 2023	Total 2023	Total 2022
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 1,561,657	\$ 1,041	\$ 527,924	\$ 2,090,622	\$ 2,147,521
Deficiency of revenues over expenses	(160,275)	-	-	-	(160,275)	(56,899)
Amortization of capital assets	105,240	-	-	(105,240)	-	-
Amortization of deferred capital contributions	(81,072)	-	-	81,072	-	-
Book allotment purchase, net of additions <i>(Note 10)</i>	12,434	(12,434)	-	-	-	-
Use of Technology Fund reserves <i>(Note 10)</i>	143,037	(143,037)	-	-	-	-
Use of Building Fund reserves <i>(Note 10)</i>	22,800	(22,800)	-	-	-	-
Internally imposed restriction on remaining surplus <i>(Note 10)</i>	(42,164)	42,164	-	-	-	-
Returned to funder	-	-	(1,041)	-	(1,041)	-
NET ASSETS - END OF YEAR	\$ -	\$ 1,425,550	\$ -	\$ 503,756	\$ 1,929,306	\$ 2,090,622

See notes to financial statements

CHINOOK ARCH LIBRARY BOARD
Statement of Revenues and Expenses
Year Ended December 31, 2023

	Budget 2023	Total 2023	Total 2022
REVENUES			
Municipal levies	\$ 1,586,222	\$ 1,590,280	\$ 1,597,254
Provincial operating grant	1,016,828	1,038,499	1,003,511
Library board membership fees	639,798	642,471	638,412
Other income (Schedule 1)	394,500	416,578	359,154
Contract services (Schedule 1)	141,000	144,613	124,121
Provincial rural library services grant	124,000	134,125	123,693
Other grants (Schedule 1)	80,000	91,740	41,671
Municipal rural services fees	61,980	58,504	55,209
Amortization of deferred capital contributions (Note 9)	85,000	81,072	84,283
	4,129,328	4,197,882	4,027,308
EXPENSES			
Salaries and benefits	2,183,100	2,150,956	2,123,177
Library materials and collections	796,767	879,119	882,374
Programs and services (Schedule 2)	452,100	413,923	402,921
Network services (Schedule 2)	112,000	198,556	107,529
Contract and other services (Schedule 2)	141,500	147,732	127,649
Bibliographic services (Schedule 2)	79,500	89,328	88,363
Shipping and delivery (Schedule 3)	51,000	59,237	58,523
Building and maintenance	51,000	53,732	58,958
Training and development (Schedule 2)	37,000	48,835	30,734
Administration (Schedule 3)	35,600	34,457	27,810
Board expenses	8,500	11,205	6,881
Amortization of capital assets	181,000	105,240	111,623
	4,129,067	4,192,320	4,026,542
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	261	5,562	766

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CHINOOK ARCH LIBRARY BOARD
Statement of Revenues and Expenses (continued)
Year Ended December 31, 2023

	Budget 2023	Total 2023	Total 2022
BOARD APPROVED PROJECTS FUNDED BY RESERVES			
Projects funded by Technology Fund reserves (Note 10)	(130,000)	(143,037)	(46,690)
Projects funded by Building Fund reserves (Note 10)	(45,000)	(22,800)	-
Projects funded by Operating Fund reserves	-	-	(10,975)
	(175,000)	(165,837)	(57,665)
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (174,739)	\$ (160,275)	\$ (56,899)

CHINOOK ARCH LIBRARY BOARD**Revenue Schedule (Schedule 1)****Year Ended December 31, 2023**

	Budget	2023	2022
OTHER INCOME			
Additional funds for library materials	\$ 300,000	\$ 294,417	\$ 306,724
Interest and investment income	40,000	102,576	48,030
Southern Alberta Library Conference	10,000	14,002	-
Employment programs	5,000	3,735	4,350
Gain on disposal of property and equipment	7,500	1,848	-
Fundraising and donations	30,000	-	50
Miscellaneous	2,000	-	-
	\$ 394,500	\$ 416,578	\$ 359,154
CONTRACT SERVICES			
Reimbursement for purchases	\$ 100,000	\$ 106,478	\$ 88,147
Contracts	39,000	37,244	35,846
Staff book purchases	2,000	891	128
	\$ 141,000	\$ 144,613	\$ 124,121
OTHER GRANTS			
Civil Society Fund grant	\$ 80,000	\$ 87,500	\$ 28,401
CFLSA grant	-	4,240	-
Nobleford establishment grant	-	-	10,270
Community Root grant	-	-	3,000
	\$ 80,000	\$ 91,740	\$ 41,671

See notes to financial statements

CHINOOK ARCH LIBRARY BOARD

Expense Schedules (Schedule 2)

Year Ended December 31, 2023

	Budget	2023	2022
PROGRAMS AND SERVICES			
Rural library services grant transfer	\$ 170,100	\$ 148,115	\$ 147,575
Support subscriptions	155,000	143,300	130,253
Regional resource sharing	90,000	90,000	90,000
Marketing and communications	20,000	14,989	17,239
Membership programs	10,000	9,337	9,887
Special projects	1,000	7,107	4,249
Summer programs	2,000	1,075	1,524
Library membership cards	4,000	-	2,194
	\$ 452,100	\$ 413,923	\$ 402,921
NETWORK SERVICES			
Network support and maintenance	\$ 65,000	\$ 94,070	\$ 53,243
Equipment and software	20,000	53,297	27,223
Telecommunications	27,000	51,189	27,063
	\$ 112,000	\$ 198,556	\$ 107,529
CONTRACT AND OTHER SERVICES			
Purchasing services for member libraries	\$ 100,000	\$ 109,614	\$ 91,674
ILS maintenance and service contract	39,000	37,244	35,846
Staff purchases	2,000	874	129
Better Beginnings card coupons	500	-	-
	\$ 141,500	\$ 147,732	\$ 127,649
BIBLIOGRAPHIC SERVICES			
Support services	\$ 65,000	\$ 74,313	\$ 71,645
Supplies for library materials	12,000	11,136	11,246
Cataloguing subscriptions	2,500	3,879	5,472
	\$ 79,500	\$ 89,328	\$ 88,363
TRAINING AND DEVELOPMENT			
Southern Alberta Library Conference	\$ 15,000	\$ 19,578	\$ 10,624
Conferences, courses and staff travel	13,000	14,262	11,545
Librarian meetings and training	8,000	14,017	8,565
Programs and training for libraries	1,000	978	-
	\$ 37,000	\$ 48,835	\$ 30,734

See notes to financial statements

CHINOOK ARCH LIBRARY BOARD**Expense Schedules (Schedule 3)****Year Ended December 31, 2023**

	Budget	2023	2022
SHIPPING AND DELIVERY			
Vehicle expense	\$ 40,000	\$ 47,672	\$ 48,516
Postage and shipping	3,000	5,367	2,980
Freight	5,000	3,297	4,274
Vehicle insurance	3,000	2,901	2,753
	\$ 51,000	\$ 59,237	\$ 58,523
ADMINISTRATION			
Professional fees	\$ 9,500	\$ 9,499	\$ 7,200
Office equipment maintenance	7,500	8,375	7,542
Office supplies and equipment	8,000	7,554	7,905
Coffee services	1,800	2,603	1,650
Subscriptions	2,400	2,037	2,355
Bank charges	1,600	1,677	1,719
Foreign currency exchange	2,000	1,087	(783)
Recruitment	800	763	167
Memberships	500	400	55
Advertising	500	298	-
Printing	500	139	-
Miscellaneous	500	25	-
	\$ 35,600	\$ 34,457	\$ 27,810

See notes to financial statements

CHINOOK ARCH LIBRARY BOARD**Statement of Cash Flows****Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 4,064,918	\$ 3,947,137
Cash paid to suppliers and employees	(4,339,190)	(3,944,342)
Interest received	102,576	48,030
INCREASE (DECREASE) IN CASH FLOW	(171,696)	50,825
Cash - beginning of year	1,620,607	1,569,782
CASH - END OF YEAR	\$ 1,448,911	\$ 1,620,607
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 1,392,190	\$ 1,595,396
Restricted cash	56,721	25,211
	\$ 1,448,911	\$ 1,620,607

1. PURPOSE OF THE BOARD

Chinook Arch Library Board (the "Board") is an appointed Board established as a Library under the Alberta Libraries Act. As a registered charity the Board is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Board operates the Chinook Arch Regional Library System, which assists a network of cooperating libraries in southwest Alberta to provide cost-effective and convenient access to information and library resources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

For reporting purposes, established funds consist of the capital fund, internally restricted reserve funds, and externally restricted funds. Transfers between funds are recorded as adjustments to the appropriate net asset accounts.

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Fund.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to the Board's capital assets and building improvements campaign. Amortization expense is recorded as an expense in the Statement of Revenues and Expenses.

The Internally Restricted Reserve Funds are established at the discretion of the Board of Directors to fund future operating and capital expenditures. Transfers to and from these funds are reflected as adjustments to the Statement of Changes in Net Assets.

The Externally Restricted Fund arises from funding received for specific projects. Transfers to and from these funds arise as funds are earned or expenditures are incurred for the specific projects.

Cash and cash equivalents

Cash includes cash and cash equivalents.

The Board's investment policy requires temporary investments to be guaranteed investment certificates, treasury bills or low risk money market funds. These investments are valued at cost. The carrying amounts approximate fair value because they have maturities within one year of the date of purchase.

Cash that is externally restricted for specific purposes is presented as restricted cash.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Buildings	4%	declining balance method
Automotive (passenger)	50%	declining balance method
Automotive (delivery vehicles)	33%	straight-line method
Computer equipment	25%	straight-line method
Office furniture and equipment	10%	straight-line method

The Board regularly reviews its property and equipment to eliminate obsolete items. Government grants received for the purchase of property and equipment are treated as deferred capital contributions (Note 9).

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Revenue is recognized when the requirements as to performance for transactions involving the sale of goods and services are met and ultimate collection is reasonably assured at the time of performance.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of capital assets. These funds are accounted for as deferred revenue until used for the purpose specified.

Government transfers for operations are recognized in the period when the related expenses are incurred and all eligibility criteria have been met.

Measurement uncertainty

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 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.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

CHINOOK ARCH LIBRARY BOARD

Notes to Financial Statements

Year Ended December 31, 2023

3. CASH AND CASH EQUIVALENTS

	2023	2022
Cash	\$ 1,392,190	\$ 1,345,396
Guaranteed investment certificate	-	250,000
	\$ 1,392,190	\$ 1,595,396

The Royal Bank non-redeemable guaranteed investment certificate bearing interest at 4.3% per annum matured on September 16, 2023.

4. RESTRICTED CASH

Restricted cash consists of externally restricted and deferred grant funds received for specific purposes (Note 8).

5. EMPLOYEE COMPUTERS LOANS

The Board has established a policy authorizing employee loans for the purchase of computers and software to a maximum of \$2,500 per employee. These loans are payable in monthly blended payments with interest at prime.

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 40,580	\$ -	\$ 40,580	\$ 40,580
Buildings	3,564,009	1,276,115	2,287,894	2,383,222
Equipment	116,136	63,023	53,113	61,526
Automotive	187,175	187,149	26	52
Computer equipment	123,130	123,130	-	1,471
	\$ 4,031,030	\$ 1,649,417	\$ 2,381,613	\$ 2,486,851

CHINOOK ARCH LIBRARY BOARD

Notes to Financial Statements

Year Ended December 31, 2023

7. EMPLOYEE BENEFIT OBLIGATIONS

	2023	2022
Vacation accrual	\$ 170,685	\$ 181,813
Health spending account	7,815	9,252
	\$ 178,500	\$ 191,065

The vacation accrual is comprised of unused vacation days that employees have earned.

Health spending benefits arise from unused benefits that are accumulated for two years. Employees have earned these benefits and are entitled to them within the next fiscal year.

8. DEFERRED REVENUE

	2023	2022
<u>Indigenous grant</u>		
Opening balance	\$ 18,430	\$ -
Funds received	75,331	71,352
Amounts recognized	(38,805)	(52,922)
	54,956	18,430
<u>CFLSA grant</u>		
Opening balance	4,240	4,240
Funds received	-	-
Amounts recognized	(4,240)	-
	-	4,240
<u>Other</u>		
Opening balance	2,541	243
Funds received	1,765	2,541
Amounts recognized	(2,541)	(243)
	1,765	2,541
Total	\$ 56,721	\$ 25,211

9. DEFERRED CAPITAL CONTRIBUTIONS

Government grants received for the purchase of capital assets are amortized at the same rate and method as the underlying asset.

	2023	2022
Opening balance	\$ 1,958,796	\$ 2,043,079
Additions during the year	-	-
Amortization	(81,072)	(84,283)
	\$ 1,877,724	\$ 1,958,796

10. RESTRICTED RESERVE FUNDS

	2022	Additions	Uses	2023
<u>Internally restricted reserve funds</u>				
Technology Fund	\$ 269,515	\$ 42,164	\$ 143,037	\$ 168,642
Vehicle Fund	246,360	-	-	246,360
Building Fund	359,354	-	22,800	336,554
Operating Fund	454,408	-	-	454,408
Book Allotment Fund	232,020	645,310	657,744	219,586
	\$ 1,561,657	\$ 687,474	\$ 823,581	\$ 1,425,550
<u>Externally restricted fund</u>				
Better Beginnings Fund	\$ 1,041	\$ -	\$ 1,041	\$ -

The internally restricted Book Allotment Fund reports allocations to member libraries for book allotments. These funds are restricted for the purchase of library materials in subsequent years. Unspent allocations are carried forward to the library's allocation in the following year.

The Board of Directors approved the use of internally restricted Technology Fund reserves for the following projects during the year:

- The website redesign project had a total cost of \$73,639 (budget - \$70,000).
- The wireless access point replacement project had a total cost of \$66,000 (budget - \$60,000).
- The online membership renewal project, which started in the prior year (costs of \$11,930), was completed in the current year with costs of \$3,398. Total project cost was \$15,328 (budget - \$15,000).

The Board of Directors approved the use of internally restricted Building Fund reserves for the following project during the year:

- The parking lot repair project had a total cost of \$22,800 (budget - \$45,000).

The Board of Directors approved the transfer of the Unrestricted Fund surplus of \$42,164 to the Technology Fund (2022 - \$31,465 to the Technology Fund).

11. SIGNIFICANT REVENUE SOURCES

In 2023, 82% (2022 - 87%) of the Board's total revenue is based on per capita municipal levies, per capita payments from library boards, and per capita grants from Alberta Municipal Affairs.

Revenues from the City of Lethbridge's membership in the Board comprises a significant percentage of this per capita revenue. In 2023, the Lethbridge population represented 49% (2022 - 49%) of the total membership population and generated 41% (2022 - 43%) of the total per capita revenue. Although the Board would continue to operate without the City of Lethbridge's membership, additional sources of revenue would be required.

12. LOCAL AUTHORITIES PENSION PLAN

Employees of the Board participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plan Act. The LAPP services about 291,259 (2022 - 281,764) members and retirees and 437 (2022 - 435) employer groups. The LAPP is a multi-employer defined benefit plan financed by the employer, employee and Government of Alberta contributions and investment earnings of the LAPP fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Board is required to make current service contributions to the LAPP at 8.45% (2022 - 8.45%) of pensionable earnings up to the year's maximum pensionable salary under the Canada Pension Plan and 12.23% (2022 - 12.80%) on pensionable salary above this amount. Employees of the Board are required to make current service contributions at 7.45% (2022 - 7.45%) of pensionable salary up to the year's maximum pensionable salary and 11.23% (2022 - 11.80%) on pensionable salary above this amount. The maximum pensionable salary is \$66,600 (2022 - \$64,900).

Total current service contributions by the Board to LAPP in 2023 were \$133,378 (2022 - \$137,946). The current service contributions by the employees of the Board to the LAPP in 2023 were \$118,748 (2022 - \$122,952).

As at December 31, 2022 the plan disclosed an actuarial surplus of \$12.7 billion (2021 - \$11.9 billion). As at the financial statement date, the plan's 2023 statement of financial position had not yet been released.

13. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Board's risk exposure and concentration as of December 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. In order to reduce its credit risk from members, the Board conducts regular reviews of its existing members' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Board has a significant number of members which minimizes concentration of credit risk.

Currency risk

Currency risk is the risk to the Board's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Board is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The Board does not use derivative instruments to reduce its exposure to foreign currency risk. The risk at December 31, 2023 is minimal.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Board manages exposure through its normal operating and financing activities. The Board is exposed to interest rate risk primarily through its interest rate bearing assets, including amounts on deposit with financial institutions that earn interest at fixed rates. The risk at December 31, 2023 is minimal.

Unless otherwise noted, it is management's opinion that the Board is not exposed to significant other price risks arising from these financial instruments.
