

**CHINOOK ARCH LIBRARY BOARD**  
**Financial Statements**  
**Year Ended December 31, 2022**

CHINOOK ARCH LIBRARY BOARD  
Index to Financial Statements  
Year Ended December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

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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, 2022, 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, 2022, 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 6, 2023

**INSIGHT**<sup>LLP</sup>

Chartered Professional Accountants

**CHINOOK ARCH LIBRARY BOARD**  
**Statement of Financial Position**  
**December 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 1,595,396	\$ 1,565,298
Restricted cash <i>(Note 4)</i>	25,211	4,484
Accounts receivable	37,323	68,051
Goods and services tax recoverable	18,123	33,938
Employee computer loans <i>(Note 5)</i>	871	1,557
Prepaid expenses	173,471	227,098
	1,850,395	1,900,426
PROPERTY AND EQUIPMENT <i>(Note 6)</i>	2,486,851	2,598,474
	\$ 4,337,246	\$ 4,498,900
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 71,552	\$ 121,811
Deferred revenue <i>(Note 7)</i>	25,211	4,483
Employee benefit obligations <i>(Note 8)</i>	191,065	182,006
	287,828	308,300
DEFERRED CAPITAL CONTRIBUTIONS <i>(Note 9)</i>	1,958,796	2,043,079
	2,246,624	2,351,379
<b>NET ASSETS</b>	2,090,622	2,147,521
	\$ 4,337,246	\$ 4,498,900

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director  
 \_\_\_\_\_ Director

**CHINOOK ARCH LIBRARY BOARD**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2022**

	Unrestricted Fund 2022	Internally Restricted Fund 2022 <i>(Note 10)</i>	Externally Restricted Fund 2022 <i>(Note 10)</i>	Capital Fund 2022	<b>Total 2022</b>	Total 2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ -	\$ 1,591,216	\$ 1,041	\$ 555,264	<b>\$ 2,147,521</b>	\$ 2,111,174
Deficiency of revenues over expenses	(56,899)	-	-	-	<b>(56,899)</b>	36,347
Amortization of capital assets	111,623	-	-	(111,623)	-	-
Amortization of deferred capital contributions	(84,283)	-	-	84,283	-	-
Book allotment purchase, net of additions <i>(Note 10)</i>	3,359	(3,359)	-	-	-	-
Use of Technology Fund reserves <i>(Note 10)</i>	46,690	(46,690)	-	-	-	-
Use of Operating Fund reserves <i>(Note 10)</i>	10,975	(10,975)	-	-	-	-
Internally imposed restriction on remaining surplus <i>(Note 10)</i>	(31,465)	31,465	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 1,561,657</b>	<b>\$ 1,041</b>	<b>\$ 527,924</b>	<b>\$ 2,090,622</b>	<b>\$ 2,147,521</b>

See notes to financial statements

**CHINOOK ARCH LIBRARY BOARD**  
**Statement of Revenues and Expenses**  
**Year Ended December 31, 2022**

	Budget 2022	Total 2022	Total 2021
<b>REVENUES</b>			
Municipal levies	\$ 1,612,662	\$ 1,597,254	\$ 1,654,512
Provincial operating grant	970,499	1,003,511	970,499
Library board membership fees	636,120	638,412	635,406
Provincial rural library services grant	164,885	123,693	164,885
Municipal rural services fees	55,097	55,209	55,839
Other income (Schedule 1)	318,000	359,154	308,981
Contract services (Schedule 1)	140,400	124,121	127,848
Other grants (Schedule 1)	44,512	41,671	155,315
Amortization of deferred capital contributions (Note 9)	-	84,283	87,628
	3,942,175	4,027,308	4,160,913
<b>EXPENSES</b>			
Salaries and benefits	2,095,700	2,123,177	2,061,036
Library materials and collections	848,118	882,374	937,314
Building and maintenance	39,500	58,958	45,628
Board expenses	9,000	6,881	5,374
Programs and services (Schedule 2)	419,100	402,921	479,640
Network services (Schedule 2)	110,000	107,529	129,907
Contract and other services (Schedule 2)	137,500	127,649	128,763
Bibliographic services (Schedule 2)	88,200	88,363	94,436
Training and development (Schedule 2)	40,000	30,734	15,115
Shipping and delivery (Schedule 3)	37,500	58,523	43,967
Administration (Schedule 3)	33,400	27,810	31,367
Amortization of capital assets	96,000	111,623	152,519
	3,954,018	4,026,542	4,125,066
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	(11,843)	766	35,847
<b>OTHER INCOME (EXPENSES)</b>			
Gain on disposal of property and equipment	12,000	-	500
Projects funded by Technology Fund reserves (Note 10)	-	(46,690)	-
Projects funded by Operating Fund reserves (Note 10)	-	(10,975)	-
	12,000	(57,665)	500
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 157	\$ (56,899)	\$ 36,347

See notes to financial statements

**CHINOOK ARCH LIBRARY BOARD****Revenue Schedule (Schedule 1)****Year Ended December 31, 2022**

	Budget	2022	2021
<b>OTHER INCOME</b>			
Additional funds for library materials	\$ 300,000	\$ 306,724	\$ 294,667
Interest and investment income	8,000	48,030	11,804
Employment programs	5,000	4,350	-
Southern Alberta Library conference	3,000	-	2,500
Miscellaneous	2,000	-	10
Fundraising and donations	-	50	-
	\$ 318,000	\$ 359,154	\$ 308,981
<b>CONTRACT SERVICES</b>			
Reimbursement for purchases	\$ 100,000	\$ 88,147	\$ 92,799
Contracts	38,400	35,846	34,802
Book purchases	2,000	128	247
	\$ 140,400	\$ 124,121	\$ 127,848
<b>OTHER GRANTS</b>			
Other grants	\$ 44,512	\$ -	\$ -
Digital Literacy Exchange Program	-	28,401	124,958
Nobleford Establishment grant	-	10,270	-
Community Root grant	-	3,000	-
Community Incentives Program	-	-	20,357
Piikani book locker grant, net of capital portion	-	-	10,000
	\$ 44,512	\$ 41,671	\$ 155,315

See notes to financial statements

**CHINOOK ARCH LIBRARY BOARD**

**Expense Schedules (Schedule 2)**

**Year Ended December 31, 2022**

	Budget	2022	2021
<b>PROGRAMS AND SERVICES</b>			
Rural library services grant transfer	\$ 172,800	\$ 147,575	\$ 198,676
Support subscriptions	125,000	130,253	118,466
Regional resource sharing	90,000	90,000	90,000
Marketing and communications	15,000	17,239	35,230
Membership programs	9,800	9,887	9,675
Library membership cards	5,000	2,194	6,614
Summer programs	1,000	1,524	5,360
Special projects	500	4,249	15,619
	\$ 419,100	\$ 402,921	\$ 479,640
<b>NETWORK SERVICES</b>			
Network support and maintenance	\$ 65,000	\$ 53,243	\$ 67,915
Telecommunications	25,000	27,063	26,439
Equipment and software	20,000	27,223	35,553
	\$ 110,000	\$ 107,529	\$ 129,907
<b>CONTRACT AND OTHER SERVICES</b>			
Purchasing services for member libraries	\$ 100,000	\$ 91,674	\$ 93,714
ILS maintenance and service contract	35,000	35,846	34,802
Staff purchases	2,000	129	247
Better Beginnings card coupons	500	-	-
	\$ 137,500	\$ 127,649	\$ 128,763
<b>BIBLIOGRAPHIC SERVICES</b>			
Support services	\$ 70,000	\$ 71,645	\$ 78,509
Supplies for library materials	14,000	11,246	11,780
Cataloguing subscriptions	4,200	5,472	4,147
	\$ 88,200	\$ 88,363	\$ 94,436
<b>TRAINING AND DEVELOPMENT</b>			
Conferences, courses and staff travel	\$ 25,000	\$ 11,545	\$ 10,127
Southern Alberta Library Conference	10,000	10,624	2,559
Librarian meetings and training	4,000	8,565	2,429
Programs and training for libraries	1,000	-	-
	\$ 40,000	\$ 30,734	\$ 15,115

See notes to financial statements

**CHINOOK ARCH LIBRARY BOARD****Expense Schedules (Schedule 3)****Year Ended December 31, 2022**

	2022	2022	2021
<b>SHIPPING AND DELIVERY</b>			
Vehicle expense	\$ 27,000	\$ 48,516	\$ 32,894
Freight	5,000	4,274	5,510
Vehicle insurance	3,500	2,753	3,230
Postage and shipping	2,000	2,980	2,333
	\$ 37,500	\$ 58,523	\$ 43,967
<b>ADMINISTRATION</b>			
Office equipment maintenance	\$ 8,000	\$ 7,542	\$ 6,870
Professional fees	7,200	7,200	7,700
Office supplies and equipment	7,000	7,905	9,506
Subscriptions	2,200	2,355	2,005
Coffee services	2,000	1,650	656
Foreign currency exchange	2,000	(783)	976
Bank charges	1,500	1,719	1,436
Printing	1,000	-	553
Recruitment	1,000	167	1,654
Memberships	500	55	-
Miscellaneous	500	-	11
Advertising	500	-	-
	\$ 33,400	\$ 27,810	\$ 31,367

**CHINOOK ARCH LIBRARY BOARD****Statement of Cash Flows****Year Ended December 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 3,947,135	\$ 4,083,012
Cash paid to suppliers and employees	(3,944,340)	(3,954,205)
Interest received	48,030	11,804
Cash flow from operating activities	<b>50,825</b>	140,611
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	-	(40,000)
Additions to deferred capital contributions	-	40,000
Proceeds on disposal of property and equipment	-	500
Cash flow from investing activities	-	500
<b>INCREASE IN CASH FLOW</b>	<b>50,825</b>	141,111
Cash - beginning of year	<b>1,569,782</b>	1,428,671
<b>CASH - END OF YEAR</b>	<b>\$ 1,620,607</b>	\$ 1,569,782
<b>CASH CONSISTS OF:</b>		
Cash and cash equivalents	\$ 1,595,396	\$ 1,565,298
Restricted cash	25,211	4,484
	<b>\$ 1,620,607</b>	<b>\$ 1,569,782</b>

See notes to financial statements

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.

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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 operating, capital, restricted and reserve 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)	50%	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.

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**CHINOOK ARCH LIBRARY BOARD**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

3. CASH AND CASH EQUIVALENTS

	<b>2022</b>	2021
Cash	<b>\$ 1,363,826</b>	\$ 1,565,298
Guaranteed investment certificate	<b>250,000</b>	-
	<b>\$ 1,613,826</b>	\$ 1,565,298

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

4. RESTRICTED CASH

Restricted cash consists of externally restricted grant funds received for specific purposes.

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	<b>2022 Net book value</b>	2021 Net book value
Land	\$ 40,580	\$ -	<b>\$ 40,580</b>	\$ 40,580
Buildings	3,564,009	1,180,787	<b>2,383,222</b>	2,482,523
Equipment	116,136	54,610	<b>61,526</b>	69,940
Automotive (passenger)	187,175	187,123	<b>52</b>	105
Computer equipment	131,930	130,459	<b>1,471</b>	5,326
	<b>\$ 4,039,830</b>	<b>\$ 1,552,979</b>	<b>\$ 2,486,851</b>	\$ 2,598,474

**CHINOOK ARCH LIBRARY BOARD**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**7. DEFERRED REVENUE**

	<b>2022</b>	2021
<u>Indigenous grant</u>		
Opening balance	\$ -	\$ -
Funds received	71,352	-
Amounts recognized	(52,922)	-
	<b>18,430</b>	-
<u>CFLSA grant</u>		
Opening balance	4,240	4,240
Funds received	-	-
Amounts recognized	-	-
	<b>4,240</b>	4,240
The CFLSA project has been postponed due to the Covid-19 pandemic.		
<u>Other</u>		
Opening balance	243	1,500
Funds received for 2023 Conference	2,541	243
Amounts recognized	(243)	(1,500)
	<b>2,541</b>	243
<b>Total</b>	<b>\$ 25,211</b>	\$ 4,483

**8. EMPLOYEE BENEFIT OBLIGATIONS**

	<b>2022</b>	2021
Vacation accrual	\$ 181,813	\$ 170,714
Health spending account	9,252	11,292
	<b>\$ 191,065</b>	\$ 182,006

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.

**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.

	<b>2022</b>	2021
Opening balance	\$ 2,043,079	\$ 2,090,708
Additions during the year	-	40,000
Amortization	(84,283)	(87,629)
	<b>\$ 1,958,796</b>	\$ 2,043,079

**CHINOOK ARCH LIBRARY BOARD****Notes to Financial Statements****Year Ended December 31, 2022****10. RESTRICTED RESERVE FUNDS**

	2021	Additions	Uses	2022
<u>Internally restricted reserve funds</u>				
Technology Fund	\$ 284,740	\$ 31,465	\$ 46,690	\$ 269,515
Vehicle Fund	246,360	-	-	246,360
Building Fund	359,354	-	-	359,354
Operating Fund	465,383	-	10,975	454,408
Book Allotment Fund	235,379	657,383	660,742	232,020
	\$ 1,591,216	\$ 688,848	\$ 718,407	\$ 1,561,657
<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 added to the library's allocation in the following year.

The Board of Directors approved three projects that were funded from internally restricted reserve funds during the year.

- The Uninterrupted Power Supply Lifecycle Replacement project had a total cost of \$34,760 (budget - \$40,000) funded by the Technology Fund reserve.
- The Online Membership Renewal project had costs of \$11,930 in the current year that were funded by the Technology Fund reserve. Further costs of \$3,397 will be incurred in the subsequent year to complete this project (budget - \$15,000).
- The Programming Kit Refresh project had a total costs of \$10,975 (budget - \$15,000) funded by the Operating Fund reserve.

The Board of Directors approved the transfer of the Unrestricted Fund surplus for the year to the Technology Fund.

**11. SIGNIFICANT REVENUE SOURCES**

In 2022, 87% (2021 - 85%) 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.

A significant percentage of this revenue is attributed to the membership of the City of Lethbridge. In 2022, the Lethbridge population represented 49% (2021 - 48%) of the total system's population and generated 43% (2021 - 42%) of the total revenue. Although the Board would continue to operate without that membership, there would be a need for additional sources of revenue.

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 281,764 (2021 - 275,863) members and retirees and 435 (2021 - 433) 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 of 8.45% (2021 - 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% (2021 - 13.84%) on pensionable earnings above this amount. Employees of the Board are required to make current service contributions of 7.45% (2021 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 11.80% (2021 - 12.84%) on pensionable salary above this amount.

Total current service contributions by the Board to LAPP in 2022 were \$137,946 (2021 - \$153,497). The current service contributions by the employees of the Board to the LAPP in 2022 were \$122,952 (2021 - \$138,401).

As at December 31, 2021 the plan disclosed an actuarial surplus of \$11.9 billion (2020 - \$5 billion surplus). As at the financial statement date, the plan's 2022 statement of financial position had not yet been released.

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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, 2022.

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 customers, the Board conducts regular reviews of its existing customers' 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 customers 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, 2022 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, 2022 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.

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