

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2023

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

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For the Year Ended July 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Vancouver Elementary and Adult Educators' Society (formerly Vancouver Elementary School Teachers' Association)

Report on the Financial Statements

Opinion

We have audited the financial statements of Vancouver Elementary and Adult Educator's Society (the "Society"), which comprise the statement of financial position as at July 31, 2023, and the statements of changes in fund balances, operations 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 Society as at July 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 Society 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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Independent Auditor's Report to the Members of Vancouver Elementary and Adult Educators' Society
(formerly Vancouver Elementary School Teachers' Association) (*continued*)

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 the Society'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 Society'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 Society 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with ASNPO have been applied on a basis consistent with that of the preceding year.

Achieve CPAs LLP

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)


Statement of Financial Position

As at July 31, 2023

	General Operating Fund	Office Equipment Fund	Building Contingency Fund	Political Action & Election Fund	Collective Action Fund	2023 Total	2022 Total
ASSETS							
Current assets							
Cash and cash equivalents (Note 3)	\$ 219,350	\$ 13,532	\$ 5,969	\$ 76,472	\$ 33,512	\$ 348,835	\$ 473,684
Accounts receivable	66,625	-	-	-	-	66,625	116,758
Prepaid expenses and deposits	46,412	-	-	-	-	46,412	37,590
	332,387	13,532	5,969	76,472	33,512	461,872	628,032
Tangible capital assets (Note 4)	5,113,766	-	-	-	-	5,113,766	4,734,944
	\$ 5,446,153	\$ 13,532	\$ 5,969	\$ 76,472	\$ 33,512	\$ 5,575,638	\$ 5,362,976
LIABILITIES							
Current liabilities							
Accounts payable and accrued liabilities	\$ 423,248	\$ -	\$ 321	\$ -	\$ -	\$ 423,569	\$ 136,522
Deferred revenue	1,806	-	-	-	-	1,806	8,575
Current portion of long-term debt (Note 5)	23,799	-	-	-	-	23,799	-
	448,853	-	321	-	-	449,174	145,097
Long-term debt (Note 5)	3,358,347	-	-	-	-	3,358,347	3,280,000
Long-service recognition obligation (Note 6)	26,919	-	-	-	-	26,919	25,696
	3,834,119	-	321	-	-	3,834,440	3,450,793
FUND BALANCES							
Invested in tangible capital assets (Note 7)	1,731,620	-	-	-	-	1,731,620	1,454,944
Internally restricted (Note 7)	26,919	13,532	5,648	76,472	33,512	156,083	140,977
Unrestricted (Note 7)	(146,505)	-	-	-	-	(146,505)	316,262
	1,612,034	13,532	5,648	76,472	33,512	1,741,198	1,912,183
	\$ 5,446,153	\$ 13,532	\$ 5,969	\$ 76,472	\$ 33,512	\$ 5,575,638	\$ 5,362,976

ON BEHALF OF THE BOARD

 President



 Treasurer

The accompanying notes form an integral part of these financial statements

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Statement of Changes in Fund Balances
For the Year Ended July 31, 2023

	General Operating Fund	Office Equipment Fund	Building Contingency Fund	Political Action & Election Fund	Collective Action Fund	2023 Total	2022 Total
Fund balances - beginning of year							
As previously reported	\$ 1,771,206	\$ 13,552	\$ 17,401	\$ 76,492	\$ 33,532	\$ 1,912,183	\$ 1,995,476
Less prior year's interfund balances	(129,311)	5,000	(8,397)	2,708	130,000	-	-
As restated	1,641,895	18,552	9,004	79,200	163,532	1,912,183	1,995,476
Deficiency of revenues over expenditures	(170,800)	(20)	(125)	(20)	(20)	(170,985)	(83,293)
Interfund balances <i>(Note 8)</i>	140,939	(5,000)	(3,231)	(2,708)	(130,000)	-	-
Fund balances - end of year	\$ 1,612,034	\$ 13,532	\$ 5,648	\$ 76,472	\$ 33,512	\$ 1,741,198	\$ 1,912,183

The accompanying notes form an integral part of these financial statements

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Statement of Operations
For the Year Ended July 31, 2023

	General Operating Fund	Office Equipment Fund	Building Contingency Fund	Political Action & Election Fund	Collective Action Fund	2023 Total	2022 Total
Revenue							
Membership fees	\$ 1,516,479	\$ -	\$ -	\$ -	\$ -	\$ 1,516,479	\$ 1,440,287
Grants from BC Teachers' Federation	153,030	-	-	-	-	153,030	254,709
Expense recoveries	60,542	-	-	-	-	60,542	24,049
Interest	1,132	-	-	-	-	1,132	1,334
	1,731,183	-	-	-	-	1,731,183	1,720,379
Expenditures							
Amortization	59,389	-	-	-	-	59,389	10,281
Building development	-	-	-	-	-	-	17,169
Committees, meetings and other disbursements (Note 9)	387,781	-	-	-	-	387,781	375,305
Executive salaries and benefits (Note 10)	711,297	-	-	-	-	711,297	659,263
Facility costs	65,787	-	-	-	-	65,787	51,397
Interest and bank charges	2,634	20	125	20	20	2,819	413
Interest on long-term debt (Note 5)	125,415	-	-	-	-	125,415	11,580
Office and general	72,599	-	-	-	-	72,599	74,664
Office salaries and benefits (Note 10)	374,315	-	-	-	-	374,315	361,913
Professional fees	29,557	-	-	-	-	29,557	38,177
Property taxes	18,951	-	-	-	-	18,951	15,145
Strata fees	14,172	-	-	-	-	14,172	2,641
	1,861,897	20	125	20	20	1,862,082	1,617,948
Excess (deficiency) of revenue over expenditures from operations	(130,714)	(20)	(125)	(20)	(20)	(130,899)	102,431
Other expenditures							
Write-off of building development costs	-	-	-	-	-	-	(184,294)
Net external rental loss (Schedule 1)	(40,086)	-	-	-	-	(40,086)	(1,430)
	(40,086)	-	-	-	-	(40,086)	(185,724)
Deficiency of revenue over expenditures	\$ (170,800)	\$ (20)	\$ (125)	\$ (20)	\$ (20)	\$ (170,985)	\$ (83,293)

The accompanying notes form an integral part of these financial statements

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Statement of Cash Flows
For the Year Ended July 31, 2023

	General Operating Fund	Office Equipment Fund	Building Contingency Fund	Political Action & Election Fund	Collective Action Fund	2023 Total	2022 Total
Operating activities							
Deficiency of revenue over expenditures	\$ (170,800)	\$ (20)	\$ (125)	\$ (20)	\$ (20)	\$ (170,985)	\$ (83,293)
Items not affecting cash:							
Amortization	59,389	-	-	-	-	59,389	10,281
Write-off of building development costs	-	-	-	-	-	-	184,294
	(111,411)	(20)	(125)	(20)	(20)	(111,596)	111,282
Changes in non-cash working capital:							
Accounts receivable	50,133	-	-	-	-	50,133	(28,332)
Prepaid expenses and deposits	(8,822)	-	-	-	-	(8,822)	(2,144)
Accounts payable and accrued liabilities	287,047	-	-	-	-	287,047	40,898
Deferred revenue	(6,769)	-	-	-	-	(6,769)	4,237
	321,589	-	-	-	-	321,589	14,659
Cash flow from (used by) operating activities	210,178	(20)	(125)	(20)	(20)	209,993	125,941
Investing activity							
Purchase of tangible capital assets	(438,211)	-	-	-	-	(438,211)	(4,430,054)
Financing activities							
Proceeds from issuance of long-term debt	102,146	-	-	-	-	102,146	3,280,000
Interfund balances	11,628	-	(11,628)	-	-	-	-
Increase in long-service recognition obligation	1,223	-	-	-	-	1,223	4,735
Cash flow from (used by) financing activities	114,997	-	(11,628)	-	-	103,369	3,284,735

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The accompanying notes form an integral part of these financial statements

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Statement of Cash Flows *(continued)*

For the Year Ended July 31, 2023

	General Operating Fund	Office Equipment Fund	Building Contingency Fund	Political Action & Election Fund	Collective Action Fund	2023 Total	2022 Total
Net change in cash and cash equivalents during the year	(113,036)	(20)	(11,753)	(20)	(20)	(124,849)	(1,019,378)
Cash and cash equivalents - beginning of year	332,386	13,552	17,722	76,492	33,532	473,684	1,493,062
Cash and cash equivalents - end of year	\$ 219,350	\$ 13,532	\$ 5,969	\$ 76,472	\$ 33,512	\$ 348,835	\$ 473,684
Cash and cash equivalents consist of:							
Cash	\$ 192,431	\$ -	\$ -	\$ -	\$ -	\$ 192,431	\$ 306,690
Restricted cash	26,919	13,532	5,969	76,472	33,512	156,404	166,994
	\$ 219,350	\$ 13,532	\$ 5,969	\$ 76,472	\$ 33,512	\$ 348,835	\$ 473,684

The accompanying notes form an integral part of these financial statements

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Schedule of Building Revenue and Expenditures (Schedule 1)
For the Year Ended July 31, 2023

	2023	2022
Revenue		
Rent	\$ 61,098	\$ 90,320
Expenditures		
Cleaning	8,945	5,909
Electricity	5,376	10,519
Insurance	7,863	5,323
Management fees	27,420	22,776
Non-recoverable Goods and Services Tax	1,325	1,134
Professional fees	9,956	6,886
Property taxes	42,597	41,546
Repairs and maintenance	33,885	36,559
Utilities	6,900	6,972
	144,267	137,624
Less facility expenses attributed to the Society	(43,083)	(45,874)
Net external rental loss	\$ (40,086)	\$ (1,430)

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Notes to Financial Statements
For the Year Ended July 31, 2023

1. PURPOSE OF THE SOCIETY

Vancouver Elementary and Adult Educators' Society (the "Society") is a not-for-profit organization of British Columbia. The Society is incorporated as a non-member funded society under the Societies Act of the Province of British Columbia.

The purposes of the Society are as follows:

- a) to promote the welfare of its members;
- b) to raise, by united effort, the status of the teaching profession;
- c) to promote the interests of education;
- d) to co-operate with other bodies in the advancement of the foregoing objectives; and
- e) to represent the Society's members and to regulate relations with their employers through collective bargaining of terms and conditions of employment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Cash and cash equivalents

Cash and cash equivalents includes short-term investments with maturities at one year or less from the date of acquisition and are carried on the statement of financial position at cost.

Restricted cash is internally restricted and can only be used with approval by the Society's Executives.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	25 years
Building improvements	10 years
Computer equipment	3 years
Office equipment	5 years

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

The carrying values of tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds the future undiscounted cash flows expected from the asset's use and eventual disposition.

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VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Notes to Financial Statements
For the Year Ended July 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The General Operating Fund accounts for the Society's operations and administration of its share of the rental property located at 2915 - 2929 Commercial Drive, Vancouver, BC.

The Office Equipment Fund accounts for resources held for funding future needs of planned upgrades, replacements and purchases of major office equipment. The fund was established with a resolution passed at the 2003 Annual General Meeting.

The Building Contingency Fund accounts for resources held for funding future needs of major repairs to the building. The fund was established with a resolution passed at the 2003 Annual General Meeting.

The Political Action & Election Fund accounts for resources held for funding needs of major cyclical expenditures on school board elections and campaigns promoting teachers' issues. The fund was established with a resolution passed at the 2003 Annual General Meeting.

The Collective Action Fund accounts for resources held for assisting members and others who are affected as a result of collective action. The fund was established with a resolution passed at the 2003 Annual General Meeting.

Revenue recognition

Membership fees are recognized as revenue based on the number of members and their payroll for each pay period.

Grants from BC Teachers' Federation ("BCTF") are recognized when qualifying services have been delivered and collection is reasonably assured.

Rents are recognized as revenue in the year over the time the premises are occupied and collection is reasonably assured.

Salary expense recoveries are recognized as revenue as incurred and the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as earned.

Recovery, non-recurring and other miscellaneous income is recognized as received.

Deferred revenue represents funding from government agencies and prepaid rents from tenants received in the current year that are related to a subsequent year.

Rental operations

The Commercial Drive land and building are co-owned with Vancouver Secondary Teachers' Association ("VSTA") and each Society reports its 50% interest in the land and building, and revenues and expenditures of the building operations.

Building operating expenses applicable to the Society's use of the building are estimated to be approximately one-third of allocated expenses, based on space occupied.

Income taxes

The Society is exempted from federal and provincial income taxes.

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VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Notes to Financial Statements
For the Year Ended July 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, derivatives and investments in equity instruments quoted in 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 carried at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments carried at amortized cost are deferred and amortized over the life of the related instrument.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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 revenue and expenses during the period. Significant estimates include valuation of accounts receivable, useful life of tangible capital assets, and completeness of accrued liabilities. These 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.

3. CASH AND CASH EQUIVALENTS

	2023	2022
<u>Restricted</u>		
General Operating Fund	\$ 26,919	\$ 25,696
Office Equipment Fund	13,532	13,552
Building Contingency Fund	5,969	17,722
Political Action & Election Fund	76,472	76,492
Collective Action Fund	33,512	33,532
	156,404	166,994
<u>Unrestricted</u>		
General Operating Fund	192,431	306,690
	\$ 348,835	\$ 473,684

Interest income for the year is \$1,132 (2022: \$1,334).

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Notes to Financial Statements
For the Year Ended July 31, 2023

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land - Commercial Drive	\$ 306,305	\$ -	\$ 306,305	\$ 306,305
Land - Yukon	3,295,323	-	3,295,323	3,295,323
Building - Commercial Drive	470,623	470,623	-	-
Building - Yukon	1,124,628	44,984	1,079,644	1,124,628
Building improvements	429,961	10,749	419,212	-
Computer equipment	6,068	3,034	3,034	5,057
Office equipment	12,283	2,035	10,248	3,631
	\$ 5,645,191	\$ 531,425	\$ 5,113,766	\$ 4,734,944

Commercial Drive land and building were co-owned with VSTA until the property was sold on November 24, 2023 for \$7,500,000 (the Society's share was \$3,750,000). The financial statements reflect a one-half interest in the property.

As at July 31, 2023, no events or changes in circumstances had occurred which indicated that the carrying amounts of tangible capital assets may not be recoverable.

5. LONG-TERM DEBT

	2023	2022
Community Savings Credit Union ("CSCU") loan bearing interest at 3.79% per annum and repayable in 36 consecutive monthly blended payments of \$18,590 beginning one month after the building improvements are fully completed. During the building improvement phase, CSCU will collect interest only payments. The loan is secured by a general security agreement creating a first security interest against all present and after-acquired property and a first charge over property with a net book value of \$4,374,966, assignment of rents, and assignment of insurance.	\$ 3,382,146	\$ 3,280,000
Less amounts payable within one year	(23,799)	-
	\$ 3,358,347	\$ 3,280,000

Principal repayment terms are approximately:

2024	\$ 23,799
2025	97,480
2026	101,240
2027	3,159,627
	\$ 3,382,146

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VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Notes to Financial Statements
For the Year Ended July 31, 2023

5. LONG-TERM DEBT (continued)

The Society is subject to certain financial covenants. As at July 31, 2023, the Society was not in compliance with these covenants. CSCU is aware and has confirmed that it will not recall the loan, hence the loan has been classified as long-term.

Interest expense for the year is \$125,415 (2022: \$11,580).

6. LONG-SERVICE RECOGNITION OBLIGATION

The Society maintains sufficient funds in a term deposit or separate bank account to discharge the estimated long-service recognition obligation.

7. CAPITAL MANAGEMENT

	2023	2022
Invested in tangible capital assets	\$ 1,731,620	\$ 1,454,944
Internally restricted funds	156,083	140,977
Unrestricted funds	(146,505)	316,262
	\$ 1,741,198	\$ 1,912,183

Internally restricted fund balances represent amounts which are not available for general use other than the specified expenditures approved by the Society's Executives.

Unrestricted fund balances are funds available for future operations.

8. INTERFUND BALANCES

	2023	2022
<u>General Operating Fund</u>		
Advances from Office Equipment Fund	\$ 5,000	\$ 5,000
Advances from (to) Building Contingency Fund	3,231	(8,397)
Advances from Political Action & Election Fund	2,708	2,708
Advances from Collective Action Fund	130,000	130,000
<u>Office Equipment Fund</u>		
Advances to General Operating Fund	(5,000)	(5,000)
<u>Building Contingency Fund</u>		
Advances (to) from General Operating Fund	(3,231)	8,397
<u>Political Action & Election Fund</u>		
Advances to General Operating Fund	(2,708)	(2,708)
<u>Collective Action Fund</u>		
Advances to General Operating Fund	(130,000)	(130,000)
	\$ -	\$ -

VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Notes to Financial Statements
For the Year Ended July 31, 2023

9. COMMITTEES, CONFERENCES AND OTHER DISBURSEMENTS

Committees, conferences and other disbursements is comprised of the following expenses:

	2023	2022
Committees	\$ 75,217	\$ 26,014
Meetings	193,347	178,704
Other	119,217	170,587
	\$ 387,781	\$ 375,305

10. REMUNERATION

Per the Societies Act of British Columbia, the Society is required to disclose all annual remunerations paid to directors, employees and contractors earning more than \$75,000.

During the year, 5 (2022: 5) Executives earned more than \$75,000 individually, resulting in \$618,322 (2022: \$618,322) paid in aggregate.

During the year, 3 (2022: 1) employees earned more than \$75,000 individually, resulting in \$249,472 (2022: \$78,165) paid in aggregate.

11. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, deferred revenue, and long-term debt. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant liquidity, currency or commodity risks arising from these financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society does not obtain collateral or other security to support the accounts receivable. However, these receivables pose no significant risk since these amounts are mainly due from government agencies.

An allowance for doubtful accounts of \$nil (2022: \$nil) is established based upon factors surrounding the credit risk of specific accounts, historical trends, and other information.

In addition, the Society is exposed to credit risk through its cash and cash equivalents. The risk is mitigated as the funds are held with major Canadian financial institutions.

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 Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its long-term debt (Note 5).

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VANCOUVER ELEMENTARY AND ADULT EDUCATORS' SOCIETY
(Formerly Vancouver Elementary School Teachers' Association)

Notes to Financial Statements
For the Year Ended July 31, 2023

11. FINANCIAL INSTRUMENTS *(continued)*

Fair value

The Society's carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and deferred revenue approximate their fair values due to the immediate or short-term maturity of these instruments.

The carrying value of the long-term debt approximates its fair value as the interest rate is consistent with the current rates offered to the Society for instruments with similar terms.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.