

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION
FINANCIAL STATEMENTS
DECEMBER 31, 2016



INDEPENDENT AUDITORS' REPORT

To the Members of the
Canadian Society for the Study of Education

Report on the Financial Statements

We have audited the accompanying financial statements of the Canadian Society for the Study of Education, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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INDEPENDENT AUDITORS' REPORT

Basis for Qualified Opinion

The Society derives revenue from royalties and charitable donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of such revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to the revenues referred to above, net revenue (expenses) and cash flows from operations for the years ended December 31, 2016 and December 31, 2015 and current assets and net assets as at December 31, 2016 and December 31, 2015. Our audit opinion on the financial statements for the year ended December 31, 2015 was modified accordingly because of the possible effects of these limitations in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Society for the Study of Education as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
June 14, 2017.

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

		<u>2016</u>	<u>2015</u>
ASSETS			
CURRENT			
Cash	\$	132,228	\$ 109,345
Short-term deposits		256,026	255,393
Accounts receivable		83,519	94,342
Prepaid expenses		<u>14,284</u>	<u>4,887</u>
		486,057	463,967
CAPITAL (note 4)		<u>7,462</u>	<u>11,178</u>
	\$	<u><u>493,519</u></u>	\$ <u><u>475,145</u></u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	66,682	\$ 74,180
Funds held in trust for members (note 5)		90,100	86,447
Deferred revenue		<u>21,711</u>	<u>30,505</u>
		178,493	191,132
NET ASSETS			
UNRESTRICTED		307,564	272,835
INVESTED IN CAPITAL ASSETS		<u>7,462</u>	<u>11,178</u>
		<u>315,026</u>	<u>284,013</u>
	\$	<u><u>493,519</u></u>	\$ <u><u>475,145</u></u>

Commitment (note 6)

Approved on behalf of the Board of Directors:

Director

Director

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
UNRESTRICTED		
Balance - beginning of year	\$ 272,835	\$ 282,503
Net revenue (expenses) for the year	31,013	(12,234)
Allocation from (to) Invested in Capital Assets	<u>3,716</u>	<u>2,566</u>
	<u>34,729</u>	<u>(9,668)</u>
Balance - end of year	<u>\$ 307,564</u>	<u>\$ 272,835</u>
 INVESTED IN CAPITAL ASSETS		
Balance - beginning of year	\$ 11,178	\$ 13,744
Purchase of capital assets	-	1,045
Amortization	<u>(3,716)</u>	<u>(3,611)</u>
	<u>(3,716)</u>	<u>(2,566)</u>
Balance - end of year	<u>\$ 7,462</u>	<u>\$ 11,178</u>

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
GRANTS		
S.S.H.R.C. - Canadian Journal of Education grant (schedule)	\$ 30,000	\$ 30,000
MEMBERSHIPS		
Individual	93,000	111,150
Institutional	<u>22,310</u>	<u>13,848</u>
	115,310	124,998
OTHER REVENUE		
Charitable donations	1,120	562
Conference receipts	121,408	124,636
Interest and exchange	1,224	9,315
Secretariat services	<u>95,995</u>	<u>53,784</u>
	219,747	188,297
PUBLICATIONS		
Canadian Journal of Education (schedule)	<u>31,381</u>	<u>24,429</u>
TOTAL REVENUE - carried forward	\$ 396,438	\$ 367,724

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
TOTAL REVENUE - carried forward	\$ 396,438	\$ 367,724
EXPENSES		
ANNUAL CONFERENCE		
Travel grants	13,500	13,520
Programme	30,710	43,392
Reception	3,454	4,719
Administration	8,302	4,913
Audio visual	7,421	7,770
Miscellaneous	-	238
	<u>63,387</u>	<u>74,552</u>
BOARD AND COMMITTEE		
Board of Directors	17,806	23,971
Standing Committee and Representation	2,561	2,625
	<u>20,367</u>	<u>26,596</u>
COMMUNICATION		
Internet	1,049	1,058
Postage and courier	633	665
Telephone and facsimile	2,264	2,157
	<u>3,946</u>	<u>3,880</u>
FEES AND MEMBERSHIPS		
Canadian Educational Association	380	380
Canadian Federation for the Humanities and Social Sciences	7,500	7,500
Canadian Committee of Graduate Students in Education	2,835	3,595
Other memberships and fees	1,117	801
	<u>11,832</u>	<u>12,276</u>
GENERAL AND ADMINISTRATION		
Amortization	3,716	3,611
Bad debt	-	21,075
Bank charges	5,947	4,319
Insurance	6,345	4,978
Office equipment maintenance	5,270	5,516
General office	1,494	1,065
Professional fees	6,100	5,997
Rent	8,567	8,567
Salaries and employee benefits	151,997	129,436
Translation	909	905
	<u>190,345</u>	<u>185,469</u>
PRIZES		
Carol Crealock Award	200	-
Coutts Award	1,610	182
Support for short-term Scholarly Events	12,000	12,100
	<u>13,810</u>	<u>12,282</u>
PUBLICATIONS		
Canadian Journal of Education (schedule)	59,165	64,903
C.S.S.E. News	2,573	-
	<u>61,738</u>	<u>64,903</u>
	<u>365,425</u>	<u>379,958</u>
NET REVENUE (EXPENSES) FOR THE YEAR	\$ <u>31,013</u>	\$ <u>(12,234)</u>

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenses) for the year	\$ 31,013	\$(12,234)
Item not involving cash		
- amortization	<u>3,716</u>	<u>3,611</u>
	34,729	(8,623)
Changes in non-cash working capital		
- accounts receivable	10,823	(9,837)
- prepaid expenses	(9,397)	7,216
- accounts payable and accrued liabilities	(7,498)	18,475
- funds held in trust for members	3,653	15,725
- deferred revenue	<u>(8,794)</u>	<u>(35,764)</u>
	23,516	(12,808)
INVESTING ACTIVITIES		
Change in short-term deposits	(633)	(8,798)
Purchase of capital assets	<u>-</u>	<u>(1,045)</u>
	<u>(633)</u>	<u>(9,843)</u>
CHANGE IN CASH POSITION DURING THE YEAR	22,883	(22,651)
Cash position - beginning of year	<u>109,345</u>	<u>131,996</u>
CASH POSITION - END OF YEAR	<u>\$ 132,228</u>	<u>\$ 109,345</u>

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. ORGANIZATION

The Canadian Society for the Study of Education (C.S.S.E.), a not for profit organization, was founded May 31, 1972 and was incorporated under the Canada Corporations Act in 1984. During the 2014 fiscal year the Society received certification of continuance under the Canada Not-for-Profit Corporations Act. The objective of the Society is to promote the advancement of Canadian research and scholarship in education.

The Society is exempt from income tax and is a registered charity under paragraph 149(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Society's significant accounting policies are as follows:

(a) Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in deferred revenue. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection reasonably assured.

Membership fees are recognized as revenue in the year in which the membership relates. If membership fees are received in advance, for a subsequent year, this membership revenue is deferred.

Secretariat services revenue is recognized during the same period as the service is provided.

Revenue from the conference is recognized in the year during which the related conference is held.

Royalty revenues are recognized when received or receivable, if the amount can be reasonably estimated and collection reasonably assured.

(b) Capital Assets and Amortization

Capital assets are stated at cost, net of accumulated amortization. Amortization is provided on the straight line basis over five years.

(c) Volunteer Services

The Society receives the services of volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(d) 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, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue (expenses) as appropriate in the year they become known.

(e) Financial Instruments

The Society's financial instruments consist of cash, short-term deposits, accounts receivable, accounts payable and accrued liabilities and funds held in trust for members.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Society subsequently measures its financial instruments as follows:

Cash, accounts receivable, accounts payable and accrued liabilities and funds held in trust for members are subsequently measured at amortized cost.

Short-term investments are subsequently measured at fair value. Changes in fair value are recognized in net revenue (expenses).

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue (expenses).

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Society is not exposed to significant interest rate, liquidity, market or currency risks arising from its financial instruments. There has been no change to the risk exposure from 2015.

Credit Risk

Credit risk arises from the potential that a customer may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk through its accounts receivable. The Society performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when considered necessary. There has been no change to the risk exposure from 2015.

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

4. CAPITAL ASSETS

	2016			2015
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 16,177	\$ 10,124	\$ 6,053	\$ 9,107
Office equipment	3,309	1,900	1,409	2,071
	\$ 19,486	\$ 12,024	\$ 7,462	\$ 11,178

5. FUNDS HELD IN TRUST FOR MEMBERS

The Society holds funds on behalf of several associations as they do not maintain their own respective bank accounts.

6. COMMITMENT

The Society has leased premises to June 30, 2019. The annual minimum rent including H.S.T. is \$17,542.

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

CANADIAN JOURNAL OF EDUCATION

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Royalties	\$ 31,381	\$ 24,429
Social Sciences and Humanities Research Council of Canada Grant	<u>30,000</u>	<u>30,000</u>
	61,381	54,429
EXPENSES		
Administration	489	176
Journal management	20,887	18,915
Production	19,635	27,969
Editorial support	15,600	14,531
Translation	1,289	1,554
Miscellaneous	52	873
Editorial Board	97	92
Website	<u>1,116</u>	<u>793</u>
	<u>59,165</u>	<u>64,903</u>
NET REVENUE (EXPENSES) FOR THE YEAR	<u>\$ 2,216</u>	<u>\$ (10,474)</u>