

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION
FINANCIAL STATEMENTS
DECEMBER 31, 2018



INDEPENDENT AUDITORS' REPORT

To the Members of
Canadian Society for the Study of Education

Qualified Opinion

We have audited the financial statements of the Canadian Society for the Study of Education (the "Society"), which comprise the statement of financial position as at December 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, 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.

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, 2018 and December 31, 2017 and current assets and net assets as at December 31, 2018 and December 31, 2017. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of these limitations in scope.

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

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INDEPENDENT AUDITORS' REPORT (Cont'd)

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

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

In preparing the financial statements, management is responsible for assessing the 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.

Auditors' 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 auditors' 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.

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INDEPENDENT AUDITORS' REPORT (Cont'd)

- 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 auditors' 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 auditors' 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.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
June 24, 2019.

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		<u>2018</u>	<u>2017</u>
ASSETS			
CURRENT			
Cash	\$	87,111	\$ 47,177
Short-term deposits		219,922	257,704
Accounts receivable		65,053	104,210
Prepaid expenses		<u>17,403</u>	<u>20,132</u>
		389,489	429,223
CAPITAL (note 4)		<u>1,047</u>	<u>3,746</u>
	\$	<u><u>390,536</u></u>	\$ <u><u>432,969</u></u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	69,685	\$ 62,816
Funds held in trust for members (note 5)		89,653	96,893
Deferred revenue		<u>12,884</u>	<u>9,490</u>
		172,222	169,199
NET ASSETS			
UNRESTRICTED		217,267	260,024
INVESTED IN CAPITAL ASSETS		<u>1,047</u>	<u>3,746</u>
		<u>218,314</u>	<u>263,770</u>
	\$	<u><u>390,536</u></u>	\$ <u><u>432,969</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, 2018

	<u>2018</u>	<u>2017</u>
UNRESTRICTED		
Balance - beginning of year	\$ 260,024	\$ 307,564
Net revenue (expenses) for the year	(45,456)	(51,256)
Allocation from (to) Invested in Capital Assets	<u>2,699</u>	<u>3,716</u>
	(42,757)	(47,540)
Balance - end of year	<u>\$ 217,267</u>	<u>\$ 260,024</u>
 INVESTED IN CAPITAL ASSETS		
Balance - beginning of year	\$ 3,746	\$ 7,462
Amortization	<u>(2,699)</u>	<u>(3,716)</u>
Balance - end of year	<u>\$ 1,047</u>	<u>\$ 3,746</u>

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
GRANTS		
S.S.H.R.C. - Canadian Journal of Education grant (schedule)	\$ 30,000	\$ 30,000
MEMBERSHIPS		
Individual	100,980	74,300
Institutional	<u>19,118</u>	<u>17,768</u>
	120,098	92,068
OTHER REVENUE		
Charitable donations	790	673
Conference	88,913	143,436
Interest	1,813	2,245
Secretariat services	<u>98,099</u>	<u>98,099</u>
	189,615	244,453
PUBLICATIONS		
Canadian Journal of Education (schedule)	<u>23,064</u>	<u>22,331</u>
TOTAL REVENUE - carried forward	\$ 362,777	\$ 388,852

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
TOTAL REVENUE - carried forward	\$ 362,777	\$ 388,852
EXPENSES		
ANNUAL CONFERENCE		
Travel grants	19,119	17,137
Programme	46,926	43,642
Reception	4,514	6,222
Administration	30,596	18,382
Audio visual	9,936	8,373
Miscellaneous	-	2,040
Other grants	-	2,000
	<u>111,091</u>	<u>97,796</u>
BOARD AND COMMITTEE		
Board of Directors	1,928	19,453
Standing Committee and Representation	809	323
	<u>2,737</u>	<u>19,776</u>
COMMUNICATION		
Internet	1,051	1,073
Postage and courier	297	980
Telephone and facsimile	2,698	2,557
	<u>4,046</u>	<u>4,610</u>
FEES AND MEMBERSHIPS		
Canadian Educational Association	380	380
Canadian Federation for the Humanities and Social Sciences	7,289	7,500
Canadian Committee of Graduate Students in Education	3,260	2,290
Other memberships and fees	973	1,360
	<u>11,902</u>	<u>11,530</u>
GENERAL AND ADMINISTRATION		
Amortization	2,699	3,716
Bank charges	9,762	4,274
Insurance	6,683	6,681
Office equipment maintenance	6,257	7,966
General office	547	2,505
Professional fees	6,360	6,230
Rent	8,847	8,567
Salaries and employee benefits	160,591	154,194
Translation	683	2,088
	<u>202,429</u>	<u>196,221</u>
PRIZES		
Coutts Award	2,092	186
Audet-Allard Award	-	522
R.W.B. Jackson Award	220	393
Support for short-term Scholarly Events	1,000	7,350
	<u>3,312</u>	<u>8,451</u>
PUBLICATIONS		
Canadian Journal of Education (schedule)	65,608	74,916
Web site and informatics	7,108	26,808
	<u>72,716</u>	<u>101,724</u>
	<u>408,233</u>	<u>440,108</u>
NET REVENUE (EXPENSES) FOR THE YEAR	\$ <u>(45,456)</u>	\$ <u>(51,256)</u>

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenses) for the year	\$(45,456)	\$(51,256)
Item not involving cash		
- amortization	<u>2,699</u>	<u>3,716</u>
	(42,757)	(47,540)
Changes in non-cash working capital		
- accounts receivable	39,157	(20,691)
- prepaid expenses	2,729	(5,848)
- accounts payable and accrued liabilities	6,869	(9,529)
- funds held in trust for members	(7,240)	6,793
- deferred revenue	<u>3,394</u>	<u>(6,558)</u>
	2,152	(83,373)
INVESTING ACTIVITIES		
Change in short-term deposits	<u>37,782</u>	<u>(1,678)</u>
CHANGE IN CASH POSITION DURING THE YEAR	39,934	(85,051)
Cash position - beginning of year	<u>47,177</u>	<u>132,228</u>
CASH POSITION - END OF YEAR	<u>\$ 87,111</u>	<u>\$ 47,177</u>

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. ORGANIZATION

The Canadian Society for the Study of Education (C.S.S.E., the "Society"), 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, 2018

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 2017.

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 2017.

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

4. CAPITAL ASSETS

	<u>2018</u>			<u>2017</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 16,177	\$ 15,442	\$ 735	\$ 2,999
Office equipment	<u>3,309</u>	<u>2,997</u>	<u>312</u>	<u>747</u>
	<u>\$ 19,486</u>	<u>\$ 18,439</u>	<u>\$ 1,047</u>	<u>\$ 3,746</u>

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.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current financial statement presentation.

CANADIAN SOCIETY FOR THE STUDY OF EDUCATION

CANADIAN JOURNAL OF EDUCATION

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
Royalties and interest	\$ 23,064	\$ 22,331
Social Sciences and Humanities Research Council of Canada Grant	<u>30,000</u>	<u>30,000</u>
	53,064	52,331
EXPENSES		
Administration	450	485
Journal management	20,764	21,342
Production	21,806	35,037
Editorial support	19,050	15,600
Translation	2,625	1,450
Editorial Board	119	208
Website	<u>794</u>	<u>794</u>
	<u>65,608</u>	<u>74,916</u>
NET REVENUE (EXPENSES) FOR THE YEAR	<u><u>\$ (12,544)</u></u>	<u><u>\$ (22,585)</u></u>