

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019



MCCAY DUFF LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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1.

INDEPENDENT AUDITORS' REPORT

To the Members of
Society for Teaching and Learning in Higher Education

Qualified Opinion

We have audited the financial statements of Society for Teaching and Learning in Higher Education (the "Society"), which comprise the statement of financial position as at December 31, 2019, and the statement of operations, statements of changes in net assets and statement of 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, 2019, 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

Note 6 to the financial statements reports the total revenue and total expense of the conferences. The books and records supporting the conference expenses incurred are located with the host organization and were not available for audit purposes for the years ended December 31, 2019 and December 31, 2018. We were not able to satisfy ourselves concerning the existence of conference expenses by alternate means, and we were not able to determine whether any adjustments might be necessary to the conference expenses for the year ended December 31, 2019 and December 31, 2018, and current liabilities and net assets as at December 31, 2019 and December 31, 2018. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation 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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2.

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 4, 2020.

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT		
Cash	\$ 492,891	\$ 390,728
Short-term investments	52,540	51,637
Accounts receivable	27,355	109,965
Prepaid expenses	<u>17,806</u>	<u>13,593</u>
	590,592	565,923
LONG-TERM INVESTMENTS	315,378	308,658
LONG-TERM PREPAID EXPENSES	<u>25,701</u>	<u>-</u>
	341,079	308,658
	<u>\$ 931,671</u>	<u>\$ 874,581</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities (note 4)	\$ 30,458	\$ 55,997
Deferred membership revenue	93,280	80,142
Deferred conference revenue	<u>4,000</u>	<u>1,106</u>
	127,738	137,245

NET ASSETS

UNRESTRICTED	620,693	473,542
RESTRICTED	<u>183,240</u>	<u>263,794</u>
	<u>803,933</u>	<u>737,336</u>
	<u>\$ 931,671</u>	<u>\$ 874,581</u>

Commitments (note 5)
Subsequent events (note 7)

Approved on behalf of the Board:

Director

Director

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
BALANCE - BEGINNING OF YEAR	\$ 473,542	\$ 389,037
Net revenue for the year	42,109	81,855
Allocation of institutional membership to EDC	(9,550)	(9,350)
Allocation from National Teaching Fellowship	72,057	5,000
Allocation from National Student Fellowship	40,535	5,000
Allocation from D2L	<u>2,000</u>	<u>2,000</u>
BALANCE - END OF YEAR	<u>\$ 620,693</u>	<u>\$ 473,542</u>

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

STATEMENT OF CHANGES IN NET ASSETS - RESTRICTED

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>3M Programs</u>								
	<u>National Teaching Fellowship</u>	<u>National Student Fellowship</u>	<u>3M Council</u>	<u>EDC</u>	<u>D2L Innovation Award</u>	<u>Student Bursary and Support</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	
RESTRICTED									
BALANCE -									
BEGINNING OF YEAR	\$ 51,187	\$ 34,314	\$ 42,068	\$ 75,055	\$ 32,872	\$ 28,298	\$ 263,794	\$ 237,487	
Net revenue (expense) for the year	20,870	6,221	(4,882)	3,171	4,108	(5,000)	24,488	28,957	
Allocation of admin fee to general operations	(5,000)	(5,000)	-	-	(2,000)	-	(12,000)	(12,000)	
Allocation to general operations (note 8)	(67,057)	(35,535)	-	-	-	-	(102,592)	-	
Allocation of institutional membership from general operations	<u> -</u>	<u> -</u>	<u> -</u>	<u> 9,550</u>	<u> -</u>	<u> -</u>	<u> 9,550</u>	<u> 9,350</u>	
BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,186</u>	<u>\$ 87,776</u>	<u>\$ 34,980</u>	<u>\$ 23,298</u>	<u>\$ 183,240</u>	<u>\$ 263,794</u>	

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>3M Programs</u>					D2L Innovation Award	Student Bursary and Support	2019	2018
	General Operations	National Teaching Fellowship	National Student Fellowship	3M Council	EDC				
REVENUES									
Book sales	\$ 144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144	\$ 277
Conference (note 6)	374,938	-	-	-	-	-	-	374,938	342,781
Conference admin fees	14,000	-	-	-	-	-	-	14,000	14,000
Corporate funding	-	80,000	75,000	10,000	-	20,000	-	185,000	185,000
EDC Institute	-	-	-	-	13,252	-	-	13,252	-
Individual membership dues	62,367	-	-	-	13,826	-	-	76,193	73,023
Institutional membership dues	95,500	-	-	-	-	-	-	95,500	96,000
Other conference	-	-	-	-	8,496	-	-	8,496	-
Interest and other income	10,907	-	-	49	-	-	-	10,956	8,855
Reunion dinner	-	-	-	2,938	-	-	-	2,938	2,881
	<u>557,856</u>	<u>80,000</u>	<u>75,000</u>	<u>12,987</u>	<u>35,574</u>	<u>20,000</u>	<u>-</u>	<u>781,417</u>	<u>722,817</u>
EXPENSES									
Administration	10,839	-	-	-	-	-	-	10,839	23,293
Advertising and selection	-	11,364	-	-	-	-	-	11,364	11,352
Conference (note 6)	353,117	-	-	-	-	-	-	353,117	277,138
EDC Institute	-	-	-	-	13,250	-	-	13,250	-
EDC-Guide Series	-	-	-	-	-	-	-	-	1,312
Engagement	7,514	-	-	-	-	-	-	7,514	-
Grant program	5,592	-	50,350	-	7,914	-	5,000	68,856	70,624
Insurance	1,539	-	-	-	-	-	-	1,539	1,539
Journal (CJSoTL)	4,071	-	-	-	-	-	-	4,071	4,928
Management fee	61,250	-	-	-	-	-	-	61,250	61,250
Miscellaneous	186	2,597	785	-	2,694	1,648	-	7,910	7,719
Professional fees	7,515	-	-	-	-	-	-	7,515	7,420
Projects	-	-	-	-	1,000	-	-	1,000	793
Publications	7,637	-	-	-	-	-	-	7,637	8,150
Registration and meetings	976	-	9,752	-	360	-	-	11,088	6,024
Retreat and facilitation	-	41,041	7,201	-	-	-	-	48,242	61,839
Reunion dinner	-	-	-	2,869	-	-	-	2,869	3,457
Special projects	17,480	-	-	15,000	-	-	-	32,480	-
Travel	22,725	4,128	691	-	7,185	14,244	-	48,973	56,912
Website maintenance	15,306	-	-	-	-	-	-	15,306	8,255
	<u>515,747</u>	<u>59,130</u>	<u>68,779</u>	<u>17,869</u>	<u>32,403</u>	<u>15,892</u>	<u>5,000</u>	<u>714,820</u>	<u>612,005</u>
NET REVENUE (EXPENSES) FOR THE YEAR	<u>\$ 42,109</u>	<u>\$ 20,870</u>	<u>\$ 6,221</u>	<u>\$ (4,882)</u>	<u>\$ 3,171</u>	<u>\$ 4,108</u>	<u>\$ (5,000)</u>	<u>\$ 66,597</u>	<u>\$ 110,812</u>

McCAY DUFF LLP, CHARTERED PROFESSIONAL ACCOUNTANTS

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenses) for the year	\$ 66,597	\$ 110,812
Changes in non-cash working capital		
- accounts receivable	82,610	30,132
- prepaid expenses	(29,914)	(9,287)
- accounts payable and accrued liabilities	(25,539)	(38,648)
- deferred membership revenue	13,138	(17,611)
- deferred conference revenue	<u>2,894</u>	<u>(18,494)</u>
	<u>43,189</u>	<u>(53,908)</u>
	109,786	56,904
INVESTING ACTIVITY		
Change in investments	<u>(7,623)</u>	<u>(106,082)</u>
CHANGE IN CASH POSITION DURING THE YEAR	102,163	(49,178)
Cash position - beginning of year	<u>390,728</u>	<u>439,906</u>
CASH POSITION - END OF YEAR	<u>\$ 492,891</u>	<u>\$ 390,728</u>

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019****1. ORGANIZATION**

The Society for Teaching and Learning in Higher Education (the "Society") was incorporated without share capital under the Canada Corporations Act on September 17, 2008. On May 12, 2016, the Society received certification of continuance under the Canada Not-for-Profit Corporations Act. The Society has adopted as its purpose "to collaborate efforts to enhance the effectiveness of university teaching and learning". The Society accomplishes this through education, information and a forum for consensus building.

The Society is exempt from income tax and is a not-for-profit organization.

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 restricted fund method of accounting for contributions. Restricted contributions, related to a particular fund, are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which there is no related restricted fund are deferred and recognized as revenue of the operating fund when the relating restrictions have been met. Unrestricted contributions are recognized as revenues in the operating fund.

Individual memberships are on an anniversary date based on the date of membership renewal. Membership fees are recorded as revenue in the year to which the membership relates. If membership fees are received in advance for a subsequent period, this membership revenue is deferred.

Institutional membership fees are recorded in the year to which the membership relates.

Conference registration and exhibitor fees are recognized in the year during which the related conference is held.

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019****2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)****(b) Fund Accounting**

The Society maintains its accounts using the fund accounting method. Under this method, all resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

3M National Teaching Fellowship

In 1986, the Society and 3M Canada partnered to recognize exceptional contributions to teaching and learning in Canadian post-secondary education. The community of 3M National Teaching Fellows embodies the highest ideals of teaching excellence and scholarship with a commitment to encourage and support the educational experience of every learner. The fund activity includes expenses incurred relating to an annual retreat.

3M National Student Fellowship

The 3M National Student Fellowship honours up to ten full-time diploma and undergraduate students at Canadian post-secondary institutions who have demonstrated outstanding leadership in their lives, at their post-secondary institution. These students embrace a vision of education that enhances their academic experience and beyond. Awards to student fellows are in partnership with 3M Canada.

Council of 3M National Fellows for Teaching and Learning in Higher Education (3M National Teaching Fellowship)

The Council shares the aims of the Society, advises the 3M National Teaching and Student Fellowships Program Coordinators, and undertakes projects that enhance teaching and learning in Canadian post-secondary institutions. The Council is a constituency within the Society.

Educational Developers Caucus (EDC)

The Caucus defines itself as a community of practice with a mission to work within the aims and structure of the Society to facilitate the advancement and evolution of educational development as a field of practice and scholarship by communications, networking, professional development opportunities and advocacy strategies. Annual activities of the fund include a conference as described in note 6 to the financial statements.

D2L Innovation Award in Teaching and Learning

Established in 2012, the D2L Innovation Award in Teaching and Learning, sponsored by D2L (Desire2Learn), celebrates and recognizes up to five post-secondary educators each year for their innovative approaches that promote student-centred teaching and learning.

Student Bursary and Support

The Society's Student Bursary and Support was established to assist student participation in the Society's conference as funds permit.

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(c) 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, revenues 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.

(d) Financial Instruments

The Society's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Society subsequently measures its cash, accounts receivable, and accounts payable and accrued liabilities at amortized cost.

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).

(e) 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.

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019****3. FINANCIAL RISKS AND CONCENTRATION OF RISKS**

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

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2018 - \$23,282), which includes amounts payable for sales taxes.

5. COMMITMENTS**(a) Management and Secretariat Services**

Administrative and secretarial services are provided by the Canadian Society for the Study of Education (CSSE) at an annual fee of \$69,213, including applicable taxes, effective July 1, 2015 and ended subsequent to year end on April 30, 2020.

Subsequent to year end, the Society entered into an agreement with AOR Solutions to provide management services at an annual fee of \$66,462, plus applicable taxes, effective March 1, 2020 for a term of five years ending February 28, 2025.

(b) Conference Coordination Services

The Society has entered into an agreement with AOR Solutions to provide conference and communications coordination services for a term of three years ending November 11, 2022 at an annual cost of \$60,112, plus applicable taxes.

(c) Website Redevelopment

Subsequent to year end, the Society entered into an agreement with AOR Web Solutions to redevelop the web presence of the Society with a total cost of \$13,500, plus applicable taxes.

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

6. CONFERENCE REVENUE

The Society engages in conference activities that are typically hosted by a third party organization on behalf of the Society, in which it is entitled to 50% of the net revenue of the conference. In the current year, the conference recorded in General Operations Fund (the 2019 STLHE Conference) was hosted by University of Manitoba.

The total net activities of the 2019 STLHE Conference are as follows:

Total Revenue	\$ 374,938
Total Expenses	<u>331,192</u>
Total net revenue	<u>43,746</u>
The Society's share of net revenue (50%)	<u><u>\$ 21,873</u></u>

7. SUBSEQUENT EVENTS

During the month of January 2020, Chinese authorities announced an outbreak of a coronavirus, later to be named COVID-19. On March 11, 2020, the World Health Organization declared the COVID-19 virus outbreak a pandemic and over 175 countries have since reported cases including Canada. Governments in North America are implementing various measures to reduce the spread of the virus including the closure of non-essential businesses, schools and other functions. Governments in North America have and continue to implement financial easing policies to mitigate the financial impact on the economy in which the Society operates. The financial impact on the Society as a result of COVID-19 is unknown, the potential impact on future operations are not able to be determined. No amounts have been recognized in the audited financial statements relating to the potential financial impact on the Society as a result of COVID-19. Furthermore, the Society's 2020 Conference which was due to be held in Ottawa, Ontario, has been postponed until 2021. Management is not expecting to pay any cancellation fees as a result of this event.

8. NET ASSET TRANSFER

The Board of Directors has approved the transfer to general operations of \$67,057 from the 3M National Teaching Fund and of \$35,535 from the 3M National Student Fund. Effective December 31, 2019, the Board approved the dissolution of the funds.