

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

FINANCIAL STATEMENTS

DECEMBER 31, 2016



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Society for Teaching and Learning in Higher 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 auditor considers 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.

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INDEPENDENT AUDITORS' REPORT

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue and incurs expenses from its annual conference. The books and records supporting these activities are located with the host organization and were not available for audit purposes for the year ended December 31, 2016 and December 31, 2015. Accordingly, our verification of such revenue and expense 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 annual conference revenue, expense and net revenue for the year 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, 2016 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 Society for Teaching and Learning in Higher 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 8, 2017.

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT		
Cash	\$ 166,401	\$ 466,628
Short-term investments	50,288	-
Accounts receivable	163,845	76,375
Prepaid expenses	<u>9,426</u>	<u>10,715</u>
	389,960	553,718
LONG-TERM INVESTMENTS	<u>200,000</u>	<u>-</u>
	<u>\$ 589,960</u>	<u>\$ 553,718</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities (note 4)	\$ 18,254	\$ 46,418
Deferred membership revenue	<u>86,641</u>	<u>81,435</u>
	104,895	127,853

NET ASSETS

UNRESTRICTED	251,397	204,650
RESTRICTED	<u>233,668</u>	<u>221,215</u>
	<u>\$ 589,960</u>	<u>\$ 553,718</u>

Commitment (note 5)

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, 2016

	<u>2016</u>	<u>2015</u>
BALANCE - BEGINNING OF YEAR	\$ 204,650	\$ 154,903
Net revenue for the year	44,147	80,896
Allocation of institutional membership to EDC	(9,400)	(9,500)
Allocation of net conference to student bursary and support	-	(21,649)
Allocation from national teaching fellowship	5,000	-
Allocation from national student fellowship	5,000	-
Allocation from D2L	<u>2,000</u>	<u>-</u>
BALANCE - END OF YEAR	<u>\$ 251,397</u>	<u>\$ 204,650</u>

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

STATEMENT OF CHANGES IN NET ASSETS - RESTRICTED

FOR THE YEAR ENDED DECEMBER 31, 2016

	<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>2016</u>	<u>2015</u>	
RESTRICTED									
BALANCE - BEGINNING OF YEAR	\$ 51,440	\$ 33,876	\$ 15,920	\$ 40,752	\$ 35,929	\$ 43,298	\$ 221,215	\$ 146,629	
Net revenue (expense) for the year	(11,245)	7,552	8,803	7,205	7,738	(5,000)	15,053	43,437	
Allocation of admin fee to general operations	(5,000)	(5,000)	-	-	(2,000)	-	(12,000)	-	
Allocation of net conference from general operations	-	-	-	-	-	-	-	21,649	
Allocation of institutional membership from general operations	-	-	-	9,400	-	-	9,400	9,500	
BALANCE - END OF YEAR	<u>\$ 35,195</u>	<u>\$ 36,428</u>	<u>\$ 24,723</u>	<u>\$ 57,357</u>	<u>\$ 41,667</u>	<u>\$ 38,298</u>	<u>\$ 233,668</u>	<u>\$ 221,215</u>	

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

3M Programs

	<u>General Operations</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>2016</u>	<u>2015</u>
REVENUES									
Individual membership dues	\$ 70,766	\$ -	\$ -	\$ -	\$ 11,626	\$ -	\$ -	\$ 82,392	\$ 73,513
Institutional membership dues	94,000	-	-	-	6,500	-	-	100,500	95,000
Corporate funding	-	70,000	75,000	10,000	-	15,000	-	170,000	200,000
Reunion dinner	-	-	-	3,450	-	-	-	3,450	-
Book sales	722	-	-	-	-	-	-	722	973
Conference, net	20,650	-	-	-	3,477	-	14,543	38,670	57,693
Interest and other income	1,131	-	-	-	-	-	-	1,131	8,110
Conference admin fees	12,000	-	-	-	-	-	-	12,000	-
Chris Knapper award	4,303	-	-	-	-	-	-	4,303	10,199
	<u>203,572</u>	<u>70,000</u>	<u>75,000</u>	<u>13,450</u>	<u>21,603</u>	<u>15,000</u>	<u>14,543</u>	<u>413,168</u>	<u>445,488</u>
EXPENSES									
Administration	16,467	-	-	-	-	-	-	16,467	16,843
Advertising and selection	96	10,289	-	-	-	-	-	10,385	9,848
Publications	14,913	-	-	-	-	-	-	14,913	11,205
Insurance	1,154	-	-	-	-	-	-	1,154	1,897
3M Impact Study	-	2,606	-	-	-	-	-	2,606	12,373
Journal (CJSOTL)	4,225	-	-	-	-	-	-	4,225	5,694
Management fee	61,250	-	-	-	-	-	-	61,250	55,790
Miscellaneous	1,138	3,647	1,135	458	646	1,066	-	8,090	5,174
Professional Fees	15,545	-	-	-	-	-	-	15,545	9,109
Projects	-	-	1,131	-	1,228	-	-	2,359	2,000
Program coordinator	-	3,553	-	-	-	-	-	3,553	5,001
Registration and meetings	2,411	-	6,065	504	579	-	-	9,559	15,478
Retreat and facilitation	660	61,150	1,500	-	-	108	-	63,418	58,590
Travel	15,587	-	7,267	-	731	6,088	-	29,673	37,026
Reunion dinner	-	-	-	3,685	-	-	-	3,685	-
EDC-Guide Series	-	-	-	-	4,689	-	-	4,689	-
Grant program	9,905	-	50,350	-	6,525	-	19,543	86,323	72,968
Website maintenance	16,074	-	-	-	-	-	-	16,074	2,159
	<u>159,425</u>	<u>81,245</u>	<u>67,448</u>	<u>4,647</u>	<u>14,398</u>	<u>7,262</u>	<u>19,543</u>	<u>353,968</u>	<u>321,155</u>
NET REVENUE (EXPENSES) FOR THE YEAR	<u>\$ 44,147</u>	<u>\$(11,245)</u>	<u>\$ 7,552</u>	<u>\$ 8,803</u>	<u>\$ 7,205</u>	<u>\$ 7,738</u>	<u>\$(5,000)</u>	<u>\$ 59,200</u>	<u>\$ 124,333</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, 2016

	<u>2016</u>	<u>2015</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue for the year	\$ 59,200	\$ 124,333
Changes in non-cash working capital		
- accounts receivable	(87,470)	42,953
- prepaid expenses	1,289	(6,357)
- accounts payable and accrued liabilities	(28,164)	2,792
- deferred membership revenue	<u>5,206</u>	<u>24,259</u>
	<u>(109,139)</u>	<u>63,647</u>
	(49,939)	187,980
INVESTING ACTIVITY		
Change in investments	(250,288)	-
CHANGE IN CASH POSITION DURING THE YEAR	(300,227)	187,980
Cash position - beginning of year	<u>466,628</u>	<u>278,648</u>
CASH POSITION - END OF YEAR	<u>\$ 166,401</u>	<u>\$ 466,628</u>

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. ORGANIZATION

The Society for Teaching and Learning in Higher Education (STLHE) 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.

Contributions and grants are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured.

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

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

Revenues from conferences are recognized on a net basis in the year during which the related conference is held.

SOCIETY FOR TEACHING AND LEARNING IN HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(b) 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.

(c) 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)

(d) 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, 2016

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 2015.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2015 - Nil), which includes amounts payable for HST and payroll related taxes.

5. COMMITMENT

The Society has engaged the services of a Society to provide management services at an annual fee of \$69,213, including applicable taxes, effective July 1, 2015. The annual fees will be reviewed every five years.