CANADIAN UNIVERSITY MUSIC SOCIETY/
SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

FINANCIAL STATEMENTS

DECEMBER 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian University Music Society

We have audited the accompanying financial statements of Canadian University Music Society which comprise the statement of financial position as at December 31, 2014, and the statements of operations and 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.

Auditor's 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 auditor's 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.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian University Music Society as at December 31, 2014, 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.

Emphasis of Matter
We draw attention to note 1 to the financial statements which states that the organization's continuance as a going concern is dependent upon its ability to obtain sufficient funding to meet on-going operating expenses and satisfy current liabilities. Our opinion is not qualified in respect of this matter.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

June 2, 2015
Toronto, Ontario

CANADIAN UNIVERSITY MUSIC SOCIETY/
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STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	2014	2013
ASSETS		
Current assets		
Cash	$ 4,774	$ 7,929
Short-term investments (note 4)	9,168	6,670
HST recoverable	4,754	5,633
Accounts receivable	4,479	9,037
	$ 23,175	$ 29,269
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 12,103	$ 5,015
Prepaid membership fees	1,025	2,945
Prepaid journal subscriptions		2,910
Deferred contributions (note 5)	10,415	18,150
	23,543	29,020
Net assets		
Designated - Beckwith Research Fund (note 6)	10,435	8,975
Unrestricted	(10,803)	(8,726)
	(368)	249
	$ 23,175	$ 29,269

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

CANADIAN UNIVERSITY MUSIC SOCIETY/
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STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
REVENUE		
Social Sciences and Humanities Research Council of Canada (SSHRC) grant	$ 28,565	$ 21,350
Membership fees	19,390	14,050
Award sponsorship	9,750	4,500
Journal subscriptions	6,215	3,694
Conference	5,438	7,420
Donations	1,460	645
Royalties	1,143	1,924
Back issue sales	65	150
	72,026	53,733
EXPENSES		
Journal production costs	15,080	18,574
Prizes	10,500	5,750
Membership management	9,854	8,731
Journal digitization	9,162	478
Administration	6,059	1,541
Translation	5,862	5,045
Conference	5,730	7,207
Professional fees	4,823	
Board travel - AGM	4,444	6,195
Professional development and training	1,054	
Board travel - other than AGM	75	614
	72,643	54,135
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	(617)	(402)
Net assets, beginning of year	249	651
NET ASSETS, END OF YEAR	$ (368)	$ 249

see accompanying notes

CANADIAN UNIVERSITY MUSIC SOCIETY/
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of expenses over revenue for the year	$ (617)	$ (402)
Changes in non-cash working capital items	(40)	11,638
Net cash generated by (used for) operating activities	(657)	11,236
INVESTING ACTIVITIES		
Purchase of short-term investments	(2,498)	(6,670)
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(3,155)	4,566
Cash, beginning of year	7,929	3,363
CASH, END OF YEAR	$ 4,774	$ 7,929

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	$ 5,437	$ 11,432
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	7,088	(7,001)
Prepaid journal subscriptions	(2,910)	(861)
Deferred contributions	(7,735)	5,123
Prepaid membership fees	(1,920)	2,945
	$ (40)	$ 11,638

see accompanying notes

Canadian University Music Society/Société de musique des universités canadiennes (the Society) is incorporated in Canada without share capital under the Canada Not-for-profit Corporations Act (the NFP Act).

The Society is a registered charitable organization under the Income Tax Act (Canada) and as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity, the Society must meet certain requirements within the Act. In the opinion of the Board of Directors, these requirements have been met.

The Society's mandate is to:

- Stimulate musical research, performance, composition, and pedagogy in Canadian universities through scholarly papers, concerts, symposia, and publications;
- Provide a forum for the exchange of views and information and the discussion of common problems among musicians in Canadian universities;
- Maintain and strengthen the position of music study in Canadian universities; and
- Advise on new university programs and monitor existing programs.

1. GOING CONCERN CONSIDERATIONS

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities.

As a result of the excess of current liabilities over current assets of $968 and negative unrestricted net assets of $11,403 as at December 31, 2014, the organization's continuance as a going concern is dependent upon its ability to obtain sufficient funding to meet on-going operating expenses and satisfy current liabilities. It is not possible to determine whether funding necessary to sustain operations in the up-coming year can be obtained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Board of Directors is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition
The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

i) The Society follows the deferral method of revenue recognition for contributions. Contributions related to current expenditures are recognized as revenue in the current year. Contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Contributions related to the purchase of capital assets are recorded as revenue in the same period the related assets are charged to operations.

ii) Sponsorships and subscription revenue is recognized in the period the services are provided. Journal sales are recognized when goods are purchased. Membership revenue is recognized in the period the membership relates to.

iii) Interest income is recognized when earned.

iv) Donated materials and services which are normally purchased by the Society are not recorded in the accounts.

3. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The Society records financial instruments, which include cash, accounts receivable, short-term investments and accounts payable and accrued liabilities, initially at fair value. Short-term investments comprise guaranteed investment certificates which are subsequently recorded at cost plus accrued income. All other financial instruments are subsequent recorded net of any provision for impairment in value.

The following are those financial instruments considered particularly significant and their related financial risks:

i) Accounts receivable are regularly monitored to minimize credit risk from uncollected revenue. The organization's losses from uncollected revenue have been minimal.

ii) Fluctuations in market interest rates do not result in significant interest rate risks affecting future cash flows from fixed rate guaranteed investment certificates.

4. SHORT-TERM INVESTMENTS

Short-term investments comprise three guaranteed investment certificates issued by a major Canadian chartered bank. Certificates bear interest at rates between 1.15% and 1.85% and mature between April 2015 and July 2015.

5. DEFERRED CONTRIBUTIONS

Deferred contributions is composed of the following:

	2014	2013
Social Sciences and Humanities Research Council of Canada (SSHRC) grant	$ 10,415	$ 18,150

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	$ 18,150	$ 13,028
Add cash received from grants	20,830	26,472
Less grants recognized (note)	(28,565)	(21,350)
Deferred contributions, end of year	$ 10,415	$ 18,150

6. BECKWITH RESEARCH FUND

During 2009 the Board of Directors of the Society created a research prize fund bearing the name of Mr. John Beckwith, a Canadian composer, writer, pianist, teacher, administrator and member of the Order of Canada. A major goal of the John Beckwith Fund is to grow in size until the annual interest accrued can be used as an annual prize bearing the John Beckwith name. The Society will determine the prize amount, name, participant criteria and other details once the fund has increased to a suitable size for annual distribution.

Continuity of the fund for the year is as follows:

	2014	2013
Beckwith Research Fund, beginning of year	$ 8,975	$ 8,330
Add donations received	1,460	645
Beckwith Research Fund, end of year	$ 10,435	$ 8,975

CANADIAN UNIVERSITY MUSIC SOCIETY/
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SCHEDULE OF REVENUE AND EXPENSES - INTERSECTIONS PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
PROGRAM REVENUE		
SSHRC Journal Grant	$ 28,565	$ 21,350
Intersections subscriptions	5,560	2,195
Royalties	950	1,924
Erudit subscriptions	655	1,499
	35,730	26,968
PROGRAM EXPENSES		
Digitization	9,162	385
Typesetting	5,411	4,259
Copy editing	4,030	5,052
Printing	3,366	3,586
Postage and courier		2,486
Translation		204
	21,969	15,972
Excess of Intersections program revenue over expenses	$ 13,761	$ 10,996