CANADIAN UNIVERSITY MUSIC SOCIETY/
SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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, 2015, 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, 2015, 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

April 26, 2016
Toronto, Ontario

CANADIAN UNIVERSITY MUSIC SOCIETY/
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STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	2015	2014
ASSETS		
Current assets		
Cash	$ 4,768	$ 4,774
Short-term investments (note 3)	10,712	9,168
HST recoverable	3,605	4,754
Accounts receivable	18,034	4,479
	$ 37,119	$ 23,175
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 27,230	$ 12,103
Prepaid membership fees	3,435	1,025
Deferred contributions (note 5)	-	10,415
	30,665	23,543
Net assets		
Designated - Beckwith Research Fund (note 6)	10,545	9,790
Unrestricted	(4,091)	(10,158)
	6,454	(368)
	$ 37,119	$ 23,175

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, 2015

	2015	2014
REVENUE		
Social Sciences and Humanities Research Council of Canada (SSHRC) grant	$ 10,415	$ 28,565
Membership fees	17,650	19,390
Conference	11,423	5,438
Donations	9,610	1,460
Conference and award sponsorship	8,000	9,750
Journal subscriptions	5,372	6,215
Royalties	1,456	1,143
Back issue sales	25	65
Other	5,718	-
	69,669	72,026
EXPENSES		
Journal production costs	16,941	15,080
Membership management	9,978	9,854
Translation	8,992	5,862
Prizes	8,250	10,500
Administration	5,000	6,059
Board travel - AGM	3,924	4,444
Journal digitization	3,681	9,162
Conference	3,103	5,730
Professional fees	2,978	4,823
Professional development and training	-	1,054
Board travel - other than AGM	-	75
	62,847	72,643
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	6,822	(617)
Net assets, beginning of year	(368)	249
NET ASSETS, END OF YEAR	$ 6,454	$ (368)

see accompanying notes

CANADIAN UNIVERSITY MUSIC SOCIETY/
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	$ 6,822	$ (617)
Changes in non-cash working capital items (see below)	(5,283)	(40)
Net cash generated by (used for) operating activities	1,539	(657)
INVESTING ACTIVITIES		
Purchase of short-term investments	(1,545)	(2,498)
NET DECREASE IN CASH FOR THE YEAR	(6)	(3,155)
Cash, beginning of year	4,774	7,929
CASH, END OF YEAR	$ 4,768	$ 4,774

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	$ (12,405)	$ 5,437
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	15,127	7,088
Prepaid journal subscriptions		(2,910)
Deferred contributions	(10,415)	(7,735)
Prepaid membership fees	2,410	(1,920)
	$ (5,283)	$ (40)

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 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.

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 negative unrestricted net assets of $4,091 as at December 31, 2015, there is a material uncertainty whether the organization can continue to operate. 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. SHORT-TERM INVESTMENTS

Short-term investments comprise four guaranteed investment certificates issued by a major Canadian chartered bank. Certificates bear interest at rates between 0.90% and 1.85% and mature between April 2016 and April 2018.

4. 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.

5. DEFERRED CONTRIBUTIONS

Deferred contributions is composed of the following:

	2015	2014
Social Sciences and Humanities Research Council of Canada (SSHRC) grant	$ nil	$ 10,415

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	$ 10,415	$ 18,150
Add cash received from grants	5,718	20,830
Less grants recognized as revenue	(16,133)	(28,565)
Deferred contributions, end of year	$ nil	$ 10,415

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:

	2015	2014
Beckwith Research Fund, beginning of year	$ 9,790	$ 8,330
Add donations received	755	1,460
Beckwith Research Fund, end of year	$ 10,545	$ 9,790

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

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
PROGRAM REVENUE		
SSHRC Journal Grant	$ 10,415	$ 28,565
Erudit subscriptions	2,747	655
Intersections subscriptions	2,625	5,560
Royalties	1,311	950
	17,098	35,730
PROGRAM EXPENSES		
Printing	6,695	3,366
Digitization	3,681	9,162
Copy editing	3,399	4,030
Typesetting	2,204	5,411
	15,979	21,969
Excess of Intersections program revenue over expenses	$ 1,119	$ 13,761