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CANADIAN UNIVERSITY MUSIC SOCIETY/ SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

FINANCIAL STATEMENTS

UNAUDITED

DECEMBER 31, 2019

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Canadian University Music Society/Société de musique des universités canadiennes,

We have reviewed the accompanying financial statements of Canadian University Music Society/Société de musique des universités canadiennes that comprise the statement of financial position as at December 31, 2019, 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.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Canadian University Music Society/Société de musique des universités canadiennes 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.

Chartered Professional Accountants
Licensed Public Accountants

Date of Board Approval
Toronto, Ontario

CANADIAN UNIVERSITY MUSIC SOCIETY/
SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

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STATEMENT OF FINANCIAL POSITION

UNAUDITED

AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash	$ 501	$ 2,363
Guaranteed investment certificates (note 3)	11,339	11,233
HST rebate recoverable	11,883	8,596
Accounts receivable	4,373	3,441
	$ 28,096	$ 25,633
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 17,325	$ 14,230
Prepaid membership fees	3,190	4,175
	20,515	18,405
Net assets		
Designated - Beckwith Research Fund (note 5)	11,665	11,075
Unrestricted	(4,084)	(3,847)
	7,581	7,228
	$ 28,096	$ 25,633

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

CANADIAN UNIVERSITY MUSIC SOCIETY/
SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

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STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

UNAUDITED

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
REVENUE		
Membership fees	$ 17,540	$ 20,190
Donations	13,795	3,397
Conference and award sponsorship	11,590	7,000
Conference fees	9,804	10,450
Journal subscriptions	5,387	1,600
Royalties	152	196
Other	-	100
	58,268	42,933
EXPENSES		
Journal production	14,631	10,317
Membership management	11,974	11,766
Prizes	10,750	8,500
Conference	6,134	5,999
Board travel and meetings	4,027	5,346
Administration	3,527	4,288
Professional fees	2,739	3,867
Translation	2,182	2,172
Journal digitization	1,951	-
	57,915	52,255
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	353	(9,322)
Net assets, beginning of year	7,228	16,550
NET ASSETS, END OF YEAR	$ 7,581	$ 7,228

see accompanying notes

CANADIAN UNIVERSITY MUSIC SOCIETY/
SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

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STATEMENT OF CASH FLOWS

UNAUDITED

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	$ 353	$ (9,322)
Changes in non-cash working capital items (see below)	(2,109)	8,532
Net cash used for operating activities	(1,756)	(790)
INVESTING ACTIVITIES		
Purchase of guaranteed investment certificates	(106)	(139)
NET DECREASE IN CASH FOR THE YEAR	(1,862)	(929)
Cash, beginning of year	2,363	3,292
CASH, END OF YEAR	$ 501	$ 2,363

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
HST rebate recoverable	$ (3,287)	$ (3,028)
Accounts receivable	(932)	3,984
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	3,095	6,351
Prepaid membership fees	(985)	1,225
	$ (2,109)	$ 8,532

see accompanying notes

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1. THE SOCIETY

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management 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 expenses 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.

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

iii) Sponsorships and subscription revenue are recognized in the period the services are provided. Membership revenue is recognized in the period the membership relates to.

iv) Interest income is recognized as revenue when earned.

3. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued and held by a major Canadian chartered bank, bear interest at rates ranging from 1.12**%** to 4.00%, and have maturity dates ranging from July 2021 to April 2023.

4. FINANCIAL INSTRUMENTS

The Society’s financial instruments include cash, guaranteed investment certificates, accounts receivable, accounts payable and accrued liabilities. Accounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value. Guaranteed investment certificates are recorded at cost plus accrued interest income, which approximates fair value.

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5. BECKWITH RESEARCH FUND

In 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:

	2019	2018
Beckwith Research Fund, beginning of year	$ 11,075	$ 11,935
Amounts contributed to the Beckwith Resesarch Fund	590	1,140
Transfer to unrestricted net assets	-	(2,000)
Beckwith Research Fund, end of year	$ 11,665	$ 11,075

In the prior year, the Board of Directors approved a transfer of $2,000 from the Beckwith Research Fund to unrestricted net assets. The funds transferred represent a portion of the original amount that the Society internally restricted to start the Beckwith Research Fund.

6. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. This presents uncertainty regarding the Society's future cash flows. The impact of social distancing may significantly impact the Society's future operations. An estimate of the financial impact of the pandemic on these financial statements is not practicable and therefore no adjustments related thereto have been made.