CANADIAN UNIVERSITY MUSIC SOCIETY/ SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

FINANCIAL STATEMENTS

UNAUDITED

DECEMBER 31, 2018

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, 2018, 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, 2018, 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.

Other Matter
The financial statements of Canadian University Music Society/Société de musique des universités canadiennes as at and for the year ended December 31, 2017 are audited.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

April 20, 2019
Toronto, Ontario

CANADIAN UNIVERSITY MUSIC SOCIETY/
SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	2018 Unaudited	2017 Audited
ASSETS		
Current assets		
Cash	$ 2,363	$ 3,292
Guaranteed investment certificates (note 3)	11,233	11,094
HST rebate recoverable	8,596	5,567
Accounts receivable	3,441	7,425
	$ 25,633	$ 27,378
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 14,230	$ 7,878
Prepaid membership fees	4,175	2,950
	18,405	10,828
Net assets		
Designated - Beckwith Research Fund (note 5)	11,075	11,935
Unrestricted	(3,847)	4,615
	7,228	16,550
	$ 25,633	$ 27,378

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

CANADIAN UNIVERSITY MUSIC SOCIETY/
SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Unaudited	2017 Audited
REVENUE		
Membership fees	$ 20,190	$ 19,315
Conference fees	10,450	11,011
Conference and award sponsorship	7,000	9,500
Donations	3,397	6,705
Journal subscriptions	1,600	3,905
Royalties	196	626
Other	100	-
	42,933	51,062
EXPENSES		
Membership management	11,766	11,101
Journal production	10,317	5,250
Prizes	8,500	10,750
Conference	5,999	-
Board travel and meetings	5,346	3,839
Administration	4,288	1,053
Professional fees	3,867	3,524
Translation	2,172	1,959
Journal digitization	-	2,283
	52,255	39,759
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	(9,322)	11,303
Net assets, beginning of year	16,550	5,247
NET ASSETS, END OF YEAR	$ 7,228	$ 16,550

see accompanying notes

CANADIAN UNIVERSITY MUSIC SOCIETY/
SOCIÉTÉ DE MUSIQUE DES UNIVERSITÉS CANADIENNES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Unaudited	2017 Audited
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	$ (9,322)	$ 11,303
Changes in non-cash working capital items (see below)	8,532	(11,185)
Net cash generated from (used for) operating activities	(790)	118
INVESTING ACTIVITIES		
Purchase of guaranteed investment certificates	(139)	(324)
NET DECREASE IN CASH FOR THE YEAR	(929)	(206)
Cash, beginning of year	3,292	3,498
CASH, END OF YEAR	$ 2,363	$ 3,292

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
HST rebate recoverable	$ (3,028)	$ (2,551)
Accounts receivable	3,984	(4,135)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	6,351	(4,184)
Prepaid membership fees	1,225	(315)
	$ 8,532	$ (11,185)

see accompanying notes

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 is recognized in the period the services are provided. Membership revenue is recognized in the period the membership relates to.

iv) Interest income is recognized 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 0.90% to 4.00%, and have maturity dates ranging from May 2019 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.

5. 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:

	2018 Unaudited	2017 Audited
Beckwith Research Fund, beginning of year	$ 11,935	$ 10,545
Amounts contributed to the Beckwith Resesarch Fund	1,140	1,390
Transfer to unrestricted net assets	(2,000)	-
Beckwith Research Fund, end of year	$ 11,075	$ 11,935

During the 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.