



fonds|radio|star

2014-2015 ANNUAL REPORT

fondsradiostar.com



Summary

- 3 Financial partners**
- 4 Board of Directors**
fund management and radio partners
- 5 President's message**
- 6 Tribute to André Lallier**
- 7 Fonds RadioStar**
- 8 Program**
- 9 Awards**
- 10 Certifications**
- 11 Financial results**
 - Financial resources
 - Administration fees
 - Commitments
 - Disbursements and residual balance of funding commitments
 - Disbursements by expenses
- 13 Evaluation of results**
 - Supporting new artists
 - Regional allocations
- 14 2014-2015 Approved projects**
- 16 Funding by music category**
- 17 2014-2015 Financial statements**

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Financial partners

Thanks to the **22** private
broadcasters, in 2014-2015
FONDS RADIOSTAR has:

- Accompanied **84** projects from **67** artists, compared to **91** projects from **73** artists over the previous year;
- Financially contributed to development of said artists careers to the amount of **\$2,400,467**;
- Supported **36** Canadian businesses in their marketing efforts;
- Supported **one** collective project for the renewal of the MQF Guide.

BellMedia



Board of Directors, fund management and radio partners

The Board of Directors is made up of twelve voting members. They consist of five broadcaster representatives appointed by the Canadian Association of Broadcasters (CAB), five industry representatives appointed by ADISQ and two individuals proposed jointly by CAB and ADISQ.

BOARD OF DIRECTORS		
President	Yves Bombardier	Vice-President Programs and Information, RNC Media
Vice-President	Sandy Boutin	President, Simone Records
Treasurer	Solange Drouin	Vice-President of Public Affairs and General Manager, ADISQ
Secretary	Guy Brouillard	Music Director CKOI, Cogeco Diffusion
Director	Philippe Archambault	Communications Manager, Audiogram
Director	Chloé Boissonnault	General Manager Communications-Marketing, Bell Media
Director	Peter Fleming	President, Peter Fleming Consulting
Director	Pierre Gladu	Executive Vice-President, Instinct Musique
Director	André Lallier	Content Director Énergie Montreal 94.3 and CHOM 97.7, Bell Media
Director	Étienne Roy	Project Manager, Connect&Go
Director	Georges Tremblay	President, Believe Digital Canada
Director	Martin Tremblay	President, Oumf Communications

FUND MANAGER	
Executive Management	Louise Chenail
Controller	Nicole Rouabah
Program Director and Regulation	Thomas Jolicoeur
Corporate and Legal Affairs	Anne-Karine Tremblay
Coordinator	Jacinthe Roy
Project Manager	Nathalie Parent
Communications Officer	Martine Bourassa
Chief Analyst	Jérôme Tremblay
Analyst	Doris Aguilar
Independent Auditor	Monique Beaulieu CPA, CGA

PARTNERS 14-15
Acadia Broadcasting
Attraction Radio
Bell Media
Cogeco Diffusion
Corus Entertainment
Evanov Communications
Golden West Broadcasting
Groupe Stingray Digital
Harvard Broadcasting
James Houssen
Jim Pattison Broadcast Group
Larche Communications
My Broadcasting Corporation
Mz Media
Newcap
Perth Fm Radio
Radio Diffusion Sorel-Tracy
Radio Sept-Îles
Rogers Broadcasting
Sonème
Sound Of Faith
Vista Radio Ltd.

President's message



It is with pride that I present you the results of the 14th Fonds RadioStar fiscal year, especially as it is my first as President. From an apparent calm, following significant changes to the program during the 2013-2014 year, the 2014-2015 financial year was marked by remarkable work behind the scenes, where the management committee of the Fonds RadioStar continued its deliberations regarding the direction to take in relation to its actions.

We began our analysis by systematizing our management framework in relation to our objectives, which led to a more general questioning of the vision of the Fund, and even of its own personality compared to other sources or music funding agencies. Through this analysis, the management committee reviewed, for each angle underlining its vision, the objectives and targets in relation to its mission, its clientele, its geographical area, and its distinctive character.

Far from being completed, this reflective work will continue in 2015-2016, although a first set of amendments to the program has already been adopted by the Board for this new year. These program improvements reflect the progress of the work done by the committee that will continue throughout the year in order to redefine the mission of the Fund, and the new performance indicators linked with established objectives and targets. Without a doubt, this process will allow Fonds RadioStar to implement decisions more in line with the needs of its clientele, while taking into consideration current market conditions.

Another aspect in development that garnered attention over the past year was the beginning of the work to update The MQF Quebec French-language Music Marketing Guide. (The MQF Guide). This collective project, led by ADISQ and CAB, has the objective to provide industry professionals and record companies data about the market and consumption habits regarding Quebec francophone music. The first edition of this marketing guide was published in 2013; the 2015 version should be published in autumn 2016.

In addition to the support given to this collective project, the Fund has financially contributed to some 84 projects for 67 different artists' albums over the course of the 14th year. The Fund total commitments is equal to \$2,510,467 for the projects of the 36 companies and 2 associated organizations partaking in the realization of this collective venture.

At the end of this first year as Chairman of the Board, I would like to applaud the commitment of the entire Fonds RadioStar team, directors and employees, who assisted the development of the French-language music industry, its artists, and artisans.

In closing, I feel the need to address, on behalf of everyone, the final goodbye to the very first President of the Fund, André Lallier, who since last year returned as a Director and died during the course of the term. Thank you André for all these years!



Chairman of the Board,
Yves Bombardier



André Lallier

1963-2015

(52 years old)

André Lallier, Content Director at Bell Media (ÉNERGY Montreal 94.3 and CHOM 97.7), died on October 4, 2015 as a result of cancer.

For over 30 years, André has been a leading player in the Montreal radio industry. He was also the first President of Fonds RadioStar from its creation in February 2001, until October 2003. He remained as a Director until September 2004. The organization had the privilege to see him return to its ranks in this same position as Director in January 2014.

For his outstanding professionalism, his sincere dedication and unfailing love of music, the Board members and the Fonds RadioStar team wanted to acknowledge the indelible mark he left on us all by his presence.



Fonds RadioStar

BACKGROUNDER

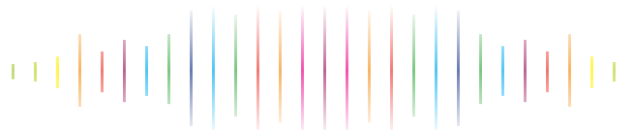
In 1998, the CRTC authorized as part of its Policy on Commercial Radio (Public Note CRTC 1998-41) the establishment of a new Canadian music marketing and promotion fund, toward which would be allocated 3% of the transaction value of radio broadcasting acquisitions. In November 2000, the CRTC approved a CAB and ADISQ joint proposal outlining the Fonds RadioStar's terms and structure. In December 2006, the aforementioned allocation was renewed under the CRTC's new Policy on Commercial Radio.

The Fonds RadioStar began operating in August 2001, and it has since been supporting by way of financial assistance the marketing of French-language sound recordings in Canada. From the outset the fund has been managed by the Fondation MUSICACTION, under the direction of the Fonds RadioStar Board of Directors. The Fund's program and rules, which are completely separate from those of MUSICACTION, are managed independently.

OBJECTIVES

- The purpose of the fund is to promote Canadian French-language music, referring requests for projects in a language other than French to the Radio Starmaker Fund.
- The Fund's goal is to supply private radio broadcasters with quality, diversified French-language music.
- Funding is reserved for national marketing endeavours, i.e. aimed at the Canadian market.
- Designed primarily for emerging artists, the fund is intended "to advance the careers of Canada's rising stars producing popular Canadian content."
- Funding is allocated to Canadian owned and controlled record labels and show producers, with the exception of Canadian artists residing outside Quebec, who are entitled to receive funding directly and organizations eligible to the Collective Projects component.
- Fonds RadioStar funding must constitute additional support, designed to complement existing funding from record labels as well as various public and private sources earmarked for the initial marketing phases.

Program



Although no changes have been made to the program in 2014-2015, an analysis of the actions of the Fund began in 2013 continued throughout the year. In this review, new measures were adopted by the Board of Directors at year's end, taking into consideration for the year (15-16) that just begun. Grounded in the changes made in 2013, most notably the creation of a recognized record company status based on superior performance in developing new artists, these new measures underpin the spirit of better supporting the career development of Canadian artists.

The main criterion for accessing the program remains the achievement of a minimum sales threshold (Soundscan), fixed according to the music category and number of albums in an artist's career. The fewer albums an artist has made, the lower are the thresholds. Given current market trends, the required sales thresholds for the 3rd and 4th albums in a career for the categories, Pop, Pop Rock, and Contemporary Folk have been revised downwards. Specific thresholds for 5th albums or more in a career, for all musical categories, were also created.

Consequently, the sales thresholds required to access an additional amount, a second phase of funding, were also reviewed. Similarly, in order to facilitate access to the Fund for artists of Canadian Francophone minority communities, sales thresholds reflecting regional realities outside Quebec's industrial structure were established.

Furthermore, criteria and privileges associated with the two channels enabling faster filing have been modified; faster access has been extended to include 3rd career albums, according to specific parameters. Recall that these two pathways are related, firstly, to companies who benefits of a status of recognized recording company and, secondly, other record companies, the latter route being a function dependent on a higher return on the previous album by the artist.

In 14-15, during the second year of this application, six companies received the status as a recognized record company:

Bonsound
Coyote Records
Disques Audiogramme
L-A Be
Productions J
Simone Records

Following the changes, there will be ten for the year 15-16.

Finally, aiming the promotion of innovative marketing strategies implements, the Board has reviewed certain rules surrounding eligible expenses. In addition, the Fund also committed to promote innovation by encouraging the submission of unpublished projects from off the beaten track, to make a real difference to the development of the Canadian artist careers.

The program in brief!

Initial assistance may reach \$65,000 per project for the first phase, of which \$15,000 is intended exclusively for live shows. Total support per project may reach \$85,000 including possible additional help of \$20,000 for a second phase, of which \$5,000 is reserved for performances, following the achievement of a second sales threshold. For projects from a first or a second career album, Fonds RadioStar covers up to 75% of eligible expenses. For 3rd albums and more, the rate is 67%.

The same company cannot receive more than \$350,000 per year for all its projects.

A reminder that in the spirit of supporting emerging artists, artists with career album sales of over 300,000 copies are ineligible for funding, and total funding cannot exceed \$30,000 if the artist the funding was intended for has sold a platinum album during their career (80,000 copies of an album sold in Canada).

Awards

Fonds RadioStar has accompanied numerous award winning projects in 2014-2015
(from September 1st 2014 to August 31st, 2015)

ARTIST	AWARDS
Alex Nevsky	Pop Album of the Year « Himalaya mon amour » – ADISQ
Alex Nevsky	Pop Song of the Year « On leur a fait croire » – ADISQ
Alex Nevsky	Male Performer of the Year – ADISQ
Alex Nevsky	Most performed francophone song in Quebec – Alex Nevsky and Gabriel Gratton for « On leur a fait croire » by Alex Nevsky – SOCAN
Alex Nevsky	André « Dédé » Fortin Award – Emerging Scene – SPACQ
Antoine Corriveau	Prix de la chanson SOCAN « Le nouveau vocabulaire »
Arthur L'aventurier	Children's Album of the Year « Arthur L'aventurier en Afrique » – ADISQ
Canailles	Roots Album of the Year « Ronds-Points » – GAMIQ
Damien Robitaille	Best Show « Omniprésent » – Trille Or Awards
De Temps Antan	Traditional Album of the Year « Ce monde ici-bas » – ADISQ
Dead Obies	Song of the Year « Montréal \$ud » – GAMIQ
Dead Obies	Rap Album of the Year « Montréal \$ud » – GAMIQ
Dead Obies	Breakthrough Artist of the Year – GAMIQ
Dead Obies	Show of the Year – GAMIQ
Émile Proulx-Cloutier	André « Dédé » Fortin Award – Emerging Scene – SPACQ
Jean-Marc Couture	Most performed francophone song in Quebec – Daniel Bélanger for « Si tel est ton désir » by Jean-Marc Couture – SOCAN
Jérôme Couture	Most performed francophone song in Quebec – Marc Dupré and Nelson Minville for « Comme on attend le printemps » by Jérôme Couture – SOCAN
Jimmy Hunt	Francophone Album of the Year « Maladie d'amour » – JUNO
Jimmy Hunt	Songwriter of the Year – GAMIQ
Jimmy Hunt	Folk Album of the Year « Maladie d'amour » – GAMIQ
Jimmy Hunt	Alternative Album of the Year « Maladie d'amour » – ADISQ
Jimmy Hunt	Album of the Year – Critic's Choice "Maladie d'amour" – ADISQ
Hôtel Morphée	Video of the Year « Des histoires de fantômes » – GAMIQ
Karim Ouellet	Gilles Vigneault Award – Established Artist – SPACQ
Karim Ouellet	Most performed francophone song in Quebec – Karim Ouellet and Claude Bégin for « L'Amour » by Karim Ouellet – SOCAN
Karim Ouellet	Online Streaming Award - Karim Ouellet and Claude Bégin for « L'Amour » by Karim Ouellet – SOCAN
Klô Pelgag	Best Artist of the Year – GAMIQ
Klô Pelgag	Pop Album of the Year « L'alchimie des monstres » – GAMIQ
Klô Pelgag	Grand Prix de la Francophonie « L'alchimie des monstres » – Académie Charles Cros
Klô Pelgag	SOCAN Breakout Award
Klô Pelgag	Breakthrough Artist of the Year – ADISQ
Koriass	Hip-Hop Album of the Year « Rue des Saules » – ADISQ
Koriass	Urban Music Award – SOCAN
Les Hay Babies	Folk Recording of the Year « Mon Homesick Heart » – Prix MNB Awards
Les Hay Babies	Édith Butler Award– Canadian Francophonie – SPACQ
Les Hay Babies	Songwriter of the Year « Mon Homesick Heart » – Canadian Folk Music Awards
Les Hay Babies	Francophone Recording of the Year « Mon Homesick Heart » – East Coast Music Awards
Les sœurs Boulay	Group of the Year – ADISQ
Lisa LeBlanc	Artist with the largest impact outside Acadie – Prix Éloizes
Louis-Jean Cormier	Video of the Year « Bull's eye » – ADISQ
Marc Dupré	Most performed francophone song in Quebec – Marie-Mai and Fred St-Gelais for « Nous sommes les mêmes » by Marc Dupré – SOCAN
Pandaléon	Emerging Artist of the Year – Trille Or Awards
Pandaléon	Best Album « À chacun son gibier » – Trille Or Awards
Pandaléon	Best Band – Trille Or Awards
Patrice Michaud	Folk Album of the Year « Le feu de chaque jour » – ADISQ
Paul Daraïche	Country Music Award – SOCAN
Philippe B	Songwriter of the Year « Ornithologie, la nuit » – ADISQ
Radio Radio	Rap/Hip-Hop Recording of the Year « Ej Feel Zoo » – East Coast Music Awards
Salomé Leclerc	Félix-Leclerc Songwriting Award 2015
Serge Fiori	Adult Contemporary Album of the Year « Serge Fiori » – ADISQ
Serge Fiori	Best-Selling Album of the Year « Serge Fiori » – ADISQ
Serge Fiori	Best Album of the Year (I left home to buy this) – CBC Music Awards



Certifications

Congratulations to the artists helped by Fonds RadioStar whom, for the past 7 years, have obtained a certification by the Canadian Recording Industry Association (CRIA) depending on the number of copies sold according to the following ranking:

CERTIFICATIONS			
	CD	DVD	Song Downloads
Gold	40,000	5,000	20,000
Platinum	80,000	10,000	40,000
Double Platinum	160,000	20,000	80,000
Triple Platinum	240,000	30,000	120,000
Diamond	800,000	100,000	400,000

CERTIFICATION CD			
YEAR	ARTIST	ALBUM	CERTIFICATION
2015	Cœur de pirate	Blonde	Platinum
2015	Vincent Vallières	Fabriquer l'aube	Gold
2014	Serge Fiori	Serge Fiori	Platinum
2014	Jean-Marc Couture	Si tel est ton désir	Gold
2014	Karkwa	Le volume du vent	Gold
2014	Les sœurs Boulay	Le poids des confettis	Gold
2013	Lisa LeBlanc	Lisa LeBlanc	Platinum
2013	Marie-Mai	Miroir	Platinum
2013	Paul Daraïche	Mes amours, mes amis	Platinum
2013	Bernard Adamus	Brun	Gold
2013	Louis-Jean Cormier	Le Treizième étage	Gold
2013	Marc Dupré	Nous sommes les mêmes	Gold
2013	Maxime Landry	Noël blanc	Gold
2012	Cœur de pirate	Blonde	Gold
2011	Marie-Mai	Version 3.0	Platinum
2011	Maxime Landry	L'avenir entre nous	Platinum
2011	Vincent Vallières	Le monde tourne fort	Platinum
2011	Karkwa	Les chemins de verre	Gold
2011	Nadja	Noël	Gold
2010	Maxime Landry	Vox Pop	Double Platinum
2010	Annie Villeneuve	Noël chez moi	Gold
2010	William Deslauriers	Un pied à terre	Gold
2009	Annie Villeneuve	Annie Villeneuve	Gold
2009	Cœur de pirate	Cœur de pirate	Gold
2009	Ima	A la vida	Gold
2009	Lost Fingers	Rendez-vous rose	Gold
2009	Marc Hervieux	Après nous	Gold

CERTIFICATION DVD			
2014	Arthur L'aventurier	Arthur L'aventurier en Afrique	Double Platinum
2011	Arthur L'aventurier	L'aventure de Noël	Triple Platinum
2011	Arthur L'aventurier	La course aux trésors	Double Platinum

Financial results

FINANCIAL RESOURCES

Monies for the Fonds RadioStar and its English-language music marketing counterpart, the Radio Starmaker Fund, come primarily from broadcaster contributions resulting from radio acquisition transactions, as required by the CRTC. A minimum of 3% of the value of such transactions must be disbursed to both of these funds. For transactions affecting the French-speaking market, 80% of the 3% is directed to the Fonds RadioStar. In the case of transactions affecting the English-speaking market, the Fonds RadioStar receives 20% of that 3%.

The CAB collects the 3% of the value of the transactions, and then redistributes these monies to both funds as per CRTC approved payment methods, earmarking the appropriate contributions intended for the advancement of French-language music to the Fonds RadioStar. In 2014-2015, these contributions amounted to \$3,756,589, bringing the total since the fund's creation in 2001-2002 to \$40,946,413. By the end of 2022, funding will have reached \$54M.

ADMINISTRATION FEES

The administration fees for this 14th financial year were set at 6.7%. The fund has averaged administrative fees of 7.5% since inception. As always, this was carried out as per the CRTC regulations approved in November 2000 requiring administration fees to never exceed more than 10% of broadcaster contributions throughout the lifetime of the fund.

COMMITMENTS

The fund has approved 847 of the 916 applications it has received since its inception for Component 1, representing an approval rate of 92%. This rate, which was 78% in 2006-2007 due to the number of applications, is now 100%. The increase stems directly from the 2007 revamping of the program and its funding application criteria.

In 2014-2015, the fund directly committed \$2,510,467, compared to \$3,095,714 in 2013-2014, which represents the largest amount ever committed, and \$2,212,012 in 2012-2013. In order to better support an industry whose needs are growing, the Board decided two years ago to inject more money while continuing to extend the life of the Fund and, as a result of input additional money caused by new business acquisition transactions radio.

APPLICATIONS AND APPROVALS					
Component 1: Artists	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Applications Submitted	84	91	73	56	56
Amount Requested	\$2,441,378	\$3,163,279	\$2,500,933	\$1,925,529	\$1,880,852
Applications Approved	84	91	71	56	56
Amount Offered	\$2,400,467	\$3,095,714	\$2,212,012	\$1,868,137	\$1,813,942
Amount Disbursed	\$2,237,870	\$2,351,658	\$1,586,391	\$1,270,983	\$1,629,255
Component 2: Collective Projects					
Applications Submitted	1	0	1	1	–
Amount Requested	\$110,000		\$50,000	\$229,950	–
Applications Approved	1		1	1	–
Amount Offered	\$110,000		\$50,000	\$229,950	–
Amount Disbursed	\$52,808	\$40,255	\$141,574	\$98,051	–
TOTAL Components 1 and 2					
Applications Submitted	85	91	74	57	56
Amount Requested	\$2,551,378	\$3,163,279	\$2,550,933	\$2,155,479	\$1,880,852
Applications Approved	85	91	72	57	56
Amount Offered	\$2,510,467	\$3,095,714	\$2,262,012	\$2,098,087	\$1,813,942
Amount Disbursed	\$2,290,678	\$2,391,913	\$1,727,965	\$1,369,034	\$1,629,255

DISBURSEMENTS AND RESIDUAL BALANCE OF FUNDING COMMITMENTS

Disbursements generally represent initial funding for projects approved during the year and the final rounds of funding for projects approved in the previous year. Few projects are begun and finalized in the same financial year. Disbursements amounted to \$2,290,678 in 2014-2015, compared with \$2,391,913 in 2013-2014, bringing the residual balance of funding commitments as at August 31st, 2015 to \$1,375,284, compared to \$1,628,543 in 2013-2014.

DISBURSEMENTS BY EXPENSES

A review of the projects completed in 2014-2015 states as follows:

- As the leading position for the last five fiscal years, live shows saw a growth of 1.6% with a total of 24% compared to 22.4% last year;

- Television advertising remains in second place with a slight fluctuation increase of 0.4% to 16.9%. Note, however, the great recovery in this sector which leapt 11.4% over two years, from 5.5% in 2012-2013 to 16.9% of spending this year.
- Image production occupies the third rank with 14.1%. This represents a rise of 1.5% compared to the previous year, but a difference of -3.2% against recorded expenditures in 2012-2013. These costs relate primarily to the production of music videos with 81% of the total amount invested devoted to this bracket, remains in line with the results of last year;
- Web activities remain in fourth position despite a 1.1% drop, changing from 11.8% to 10.7% this year.

EXPENSES								
CATEGORIES	2014-2015		2013-2014		2012-2013		2011-2012	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Image Production*	\$358,926	14.1	\$255,226	12.6	\$206,226	17.3	\$157,115	12.9
Promotion	88,816	3.5	68,574	3.4	45,407	3.8	44,704	3.7
Media relations	191,466	7.5	136,936	6.8	86,147	7.2	103,385	8.4
Radio promotions	120,845	4.8	85,380	4.2	62,217	5.2	54,434	4.5
Web	270,864	10.7	239,074	11.8	144,100	12.1	152,058	12.4
Television	430,281	16.9	332,419	16.5	65,199	5.5	185,496	15.2
Radio	88,010	3.5	99,712	4.9	37,468	3.2	40,860	3.3
POS Display	151,197	5.9	126,022	6.2	76,467	6.4	47,156	3.9
Print	104,694	4.1	128,854	6.4	72,535	6.1	87,166	7.1
Billboard	70,719	2.8	39,243	2.0	20,068	1.7	12,952	1.1
Tour support	56,250	2.2	56,836	2.8	35,406	3.0	42,973	3.5
Live shows	609,861	24.0	452,101	22.4	339,241	28.5	293,589	24.0
TOTAL	\$2,541,929	100	\$2,020,377	100	\$1,190,481	100	\$1,221,888	100

* In 2014-2015, \$290,521 were spent on music videos and \$68,405 for the production of other images in comparison to \$196,688 and \$58,538 the previous year, and \$160,099 and \$46,127 in 2012-2013.

Evaluation of results



SUPPORTING NEW ARTISTS

The Fund continues to remain true to its mission of funding developing artists first and foremost. In 2014-2015, with the measures taken in 2013-2014 for faster access to the first and second albums in career, 82.1% of the projects supported are associated with such albums and 75.3% of their vested amounts awarded. Artist projects combining four albums and more in career this year represent 11.3% of the approved amounts compared to 10% for the previous year.

	2014-2015				2013-2014			
	Applications Approved	% Applications Approved	Amount offered	% Amount offered	Applications Approved	% Applications Approved	Amount offered	% Amount offered
1st album	42	50.0	\$1,092,435	45.5	43	47	\$1,446,638	47
2nd album	27	32.1	714,741	29.8	33	36	1,214,534	39
3rd album	8	9.5	322,729	13.4	7	8	115,642	4
4th and more	7	8.4	270,562	11.3	8	9	318,900	10
TOTAL	84	100	\$2,400,467	100	91	100	\$3,095,714	100

	2012-2013				2011-2012			
	Applications Approved	% Applications Approved	Amount offered	% Amount offered	Applications Approved	% Applications Approved	Amount offered	% Amount offered
1st album	26	37	\$755,139	34	31	55	\$1,096,435	59
2nd album	21	30	666,713	30	8	14	264,948	14
3rd album	8	11	294,062	13	10	18	323,946	17
4th and more	16	22	496,098	23	7	13	182,808	10
TOTAL	71	100	\$2,212,012	100	56	100	\$1,868,137	100

REGIONAL ALLOCATIONS

In 2014-2015, only one artist from French-speaking minority communities in Canada obtained funding, compared with six in the past two years. This is Les Hay Babies, a trio from New-Brunswick.

2014-2015 Approved projects

COMPONENT 1: ARTISTS

ARTIST	APPLICANT	REGION	\$ AMOUNT
2Frères	MP3 Disques	Quebec	45,392
Arthur Marie-Pierre	Simone Records	Gaspésie–Îles-de-la-Madeleine	50,000
Beauregard Guillaume	Cie Larivée Cabot Champagne	Montréal	10,320
Beauregard Guillaume	Preste	Montréal	15,000
Bédard Mélissa	Tandem.mu	Quebec	53,537
Bégin Claude	Coyote Records	Quebec	50,000
Bégin Claude	Coyote Records	Quebec	15,000
Bernhari	Disques Audiogramme	Montreal	15,000
Bernhari	Disques Audiogramme	Montreal	39,107
Blé	Kay Productions Musique	Montreal	15,000
Bleu Jeans Bleu	Vega Musique	Centre-du-Québec	28,703
Bloom Fanny	Disques Dare to Care	Estrie	49,104
Bobby One (Tardy-Quintal Gabriel)	Productions Silence d'Or	Montréal	28,461
Bodh'aktan	Go Musique	Several regions	20,000
Bourdon Sarah	Disques Audiogramme	Montreal	41,585
Bourdon Sarah	Disques Audiogramme	Montreal	14,371
Brach Philippe	Équipe Spectra	Saguenay–Lac-Saint-Jean	15,000
Brach Philippe	Équipe Spectra	Saguenay–Lac-Saint-Jean	5,000
Canailles	Disques Dare to care	Quebec	5,000
Caravane	Coyote Records	Quebec	15,000
Carpentier Valérie	Productions J	Mauricie	30,481
Cimon Philémon	Disques Audiogramme	Quebec	15,000
Cormier Louis-Jean	Simone Records	Côte-Nord	50,000
Corriveau Antoine	Ambiances Ambiguës	Mauricie	15,000
Cossette Élisabeth	S7 Productions	Mauricie	32,613
Couture Jérôme	L-A be	Montréal	20,000
De Temps Antan	L-A be	Lanaudière	16,125
De Temps Antan	Productions de Temps Antan	Lanaudière	10,626
Dion Olivier	Productions J	Montreal	20,000
Dion Olivier	Productions J	Montreal	9,635
Dupré Marc	Productions Dama	Laval	20,000
Dupré Marc	Productions Dama	Laval	20,000
Dupré Marc	Productions J	Laval	65,000
Dyotte Félix	Coyote Records	Montreal	65,000
Eman X Vlooper	Disques 7ième Ciel	Quebec	65,000
Folk Sally	Entourage Musique	Montreal	73,390
Gazoline	Ambiances Ambiguës	Saguenay–Lac-Saint-Jean	15,000
Gazoline	L-A be	Saguenay–Lac-Saint-Jean	14,916
Ghost	High Life Music	Abitibi-Témiscamingue	14,513
Giguère David	Disques Audiogramme	Quebec	5,000
Giguère David	Disques Audiogramme	Quebec	15,000
Gingras Louis-Philippe	Simone Records	Abitibi-Témiscamingue	10,957
Goudreault David	Vega Musique	Mauricie	32,129

ARTIST	APPLICANT	REGION	\$ AMOUNT
Hélie Laurence	Productions EM	Chaudière-Appalaches	2,652
Hervieux Marc	Zone 3	Montreal	60,429
Hôtel Morphée	Disques Audiogramme	Montreal and Outaouais	40,635
Jacques Clément	Sphère Musique	Saguenay–Lac-Saint-Jean	6,047
Julie Blanche	Coyote Records	Montreal	50,000
Kalimba	Productions Kalimba	Laurentides	15,000
Kalimba	Productions Prestigo	Laurentides	38,700
Koriass	Disques 7ième Ciel	Laurentides	5,000
La Bronze	High Life Music	Montreal	26,203
Lacasse Chloé	Vega Musique	Montreal	28,251
Lachance François	Productions J	Saguenay–Lac-Saint-Jean	5,160
Landry Maxime	Productions J	Chaudière-Appalaches	20,311
Leclerc Salomé	Disques Audiogramme	Centre-du-Québec	31,199
Leclerc Salomé	Productions Pacifique Barrette	Centre-du-Québec	5,000
Leclerc Salomé	Productions Pacifique Barrette	Centre-du-Québec	15,000
Les Hay Babies	Simone Records	New-Brunswick	28,365
Les sœurs Boulay	Disques Dare to care	Gaspésie–Îles-de-la-Madeleine	11,691
Lisbonne Télégramme	L-A Be	Montreal	9,715
Loud Lary Ajust	Disques Audiogramme	Montreal	29,683
Loud Lary Ajust	Preste	Montreal	15,000
Lubik	Disques 7ième Ciel	Abitibi-Témiscamingue	65,000
Machines Géantes	Productions Big Fat Truck	Montreal	10,884
Manu Militari	Disques 7ième Ciel	Quebec	10,218
Michaud Patrice	Équipe Spectra	Gaspésie–Îles-de-la-Madeleine	20,000
Monogrenade	Bonsound	Montreal	5,000
Navert	L-A be	Montreal	10,465
Nicolas Noël	Gregg Musique	Montreal	65,000
Nolin Safia	Bonsound	Quebec	62,053
Pelletier Sophie	Atmosphère Musique	Bas-Saint-Laurent	50,000
Philippe B	Bonsound	Abitibi-Témiscamingue	32,716
Philippe B	Bonsound	Abitibi-Témiscamingue	52,106
Ponctuation	Bonsound	Quebec	37,914
Poulin Alexandre	Prodat	Montréal	16,998
Proulx-Cloutier Émile	Cie Larivée Cabot Champagne	Montreal	19,190
Rymz	Productions Silence d'Or	Montréal	33,580
Sagot Julien	Simone Records	Montreal	49,584
Sagot Julien	Simone Records	Montreal	9,240
Samian	Disques 7ième Ciel	Abitibi-Témiscamingue	62,271
Souldia	Explicit Productions	Quebec	61,388
Tire le coyote	Cie Larivée Cabot Champagne	Estrie	31,854
Tocadéo	Productions Serge Paré	Montreal	85,000

2,400,467

COMPONENT 2: COLLECTIVE PROJECT

MQF Guide	ADISQ-CAB	110,000
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110,000

TOTAL 2,510,467

Funding by music category

In 2014-2015, Pop music remains in first place in terms of number of accepted proposals and amounts granted with 32.1%. On the other hand, Alternative music arrives second with 22.5% of committed funds. This represents a jump of a position and a significant gain of 5.3% compared to the previous year. It is followed by Hip Hop music in third place with 14.9%, an increase of 1.5% compared to the previous report. However, it is a significant decline of 16.6% for the Contemporary Folk music category dropping from the second position with 22.9% to the 4th position in 2014-2015, with now only 6.3% of the total funds allocated.

	2014-2015			2013-2014			2012-2013			2011-2012		
	APPLICATIONS APPROVED	AMOUNT OFFERED	%	APPLICATIONS APPROVED	AMOUNT OFFERED	%	APPLICATIONS APPROVED	AMOUNT OFFERED	%	APPLICATIONS APPROVED	AMOUNT OFFERED	%
Alternative	18	\$538,797	22.5	18	\$532,450	17.2	14	\$440,069	19.9	13	\$410,002	21.9
Country	5	96,825	4.0	8	233,268	7.5	3	115,400	5.2	1	43,622	2.3
Contemporary Folk	8	151,474	6.3	20	707,639	22.9	8	217,359	9.8	7	195,305	10.5
Hip Hop	11	357,243	14.9	10	413,677	13.4	10	297,446	13.5	8	314,402	16.8
Jazz	0	0	0	0	0	0	0	0	0	0	0	0
Children's	4	151,313	6.3	1	65,000	2.1	4	155,017	7.0	0	0	0
World	0	0	0.0	1	65,000	2.1	0	0	0	0	0	0
Urban	1	26,203	1.1	0	0	0	1	17,344	0.8	2	48,278	2.6
Pop rock	5	135,712	5.7	0	0	0	1	25,000	1.1	3	48,012	2.6
Pop	24	771,233	32.1	30	943,986	30.5	26	850,612	38.5	20	738,818	39.5
Rock	6	144,916	6.0	3	134,694	4.3	2	49,614	2.2	1	23,685	1.3
Traditional	2	26,751	1.1	0	0	0	2	44,151	2.0	1	46,013	2.5
TOTAL	84	\$2,400,467	100	91	\$3,095,714	100	71	\$2,212,012	100	56	\$1,868,137	100

2014-2015 FINANCIAL STATEMENTS

- 18 Independent Auditor's Report
- 19 Statement of Earnings
- 20 Statement of Changes in Net Assets
- 21 Balance Sheet
- 22 Statement of Cash Flows
- 23 Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Directors of Fonds RadioStar

We have audited the accompanying financial statements of **Fonds RadioStar**, which comprise the balance sheet as at August 31, 2015, and the statements of earnings, 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 **Fonds RadioStar** as at August 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.

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Anjou,
November 27, 2015

¹ Monique Beaulieu, CPA auditor, CGA

FONDS RADIOSTAR**STATEMENT OF EARNINGS****FOR THE YEAR ENDED AUGUST 31, 2015**

	2015	2014
REVENUE		
Contributions from radio broadcasters	\$ 3,756,589	\$ 4,354,665
Management fees – CAB	(10,500)	(9,450)
	3,746,089	4,345,215
Interest	277,490	262,982
	4,023,579	4,608,197
OPERATING EXPENSES		
Salaries and fringe benefits	202,757	185,357
Professional fees	12,072	12,072
Rent	35,000	35,000
Communication	16,832	17,213
Insurance	1,388	1,799
Meeting expenses	2,173	1,909
	270,222	253,350
EXCESS AVAILABLE FOR ASSISTANCE CONTRIBUTIONS	3,753,357	4,354,847
Assistance contributions	2,290,678	2,391,913
EXCESS OF REVENUE OVER EXPENSES BEFORE AMORTIZATION	1,462,679	1,962,934
Amortization of other asset	753	2,258
EXCESS OF REVENUE OVER EXPENSES	\$ 1,461,926	\$ 1,960,676

The accompanying notes are an integral part of these financial statements.

FONDS RADIOSTAR**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
BALANCE - BEGINNING OF YEAR	\$ 12,470,500	\$ 10,724,381
EXCESS OF REVENUE OVER EXPENSES	1,461,926	1,960,676
Internal restrictions	<u>253,259</u>	<u>(214,557)</u>
BALANCE - END OF YEAR	<u>\$ 14,185,685</u>	<u>\$ 12,470,500</u>
 INTERNALLY RESTRICTED NET ASSETS (note 4)		
BALANCE - BEGINNING OF YEAR	\$ 1,628,543	1,413,986
Internal restrictions	<u>(253,259)</u>	<u>214,557</u>
BALANCE - END OF YEAR	<u>\$ 1,375,284</u>	<u>\$ 1,628,543</u>

The accompanying notes are an integral part of these financial statements.

FONDS RADIOSTAR
BALANCE SHEET
AS AT AUGUST 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Cash	\$ 280,436	\$ 717,251
Accrued interest receivable	195,648	148,922
Term deposits, interest rate ranging from 0.85% to 1.7%, maturing in September 2015	5,100,000	6,750,000
Prepaid expenses	<u>721</u>	<u>719</u>
	5,576,805	7,616,892
LONG-TERM INVESTMENTS		
Redeemable demand deposits, interest rate ranging from 1.90% to 2.20%, maturing between September 2016 and September 2017	10,000,000	6,500,000
OTHER ASSET (note 5)	<u>-</u>	<u>753</u>
	<u>\$ 15,576,805</u>	<u>\$ 14,117,645</u>
LIABILITIES		
CURRENT		
Accounts payable (note 7)	\$ <u>15,836</u>	\$ <u>18,602</u>
NET ASSETS		
Unrestricted net assets	14,185,685	12,470,500
Internally restricted net assets (note 4)	<u>1,375,284</u>	<u>1,628,543</u>
	15,560,969	14,099,043
	<u>\$ 15,576,805</u>	<u>\$ 14,117,645</u>

APPROVED ON BEHALF OF THE BOARD

Yves Bombardier
President

Solange Drouin
Treasurer

The accompanying notes are an integral part of these financial statements.

FONDS RADIOSTAR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Contributions received from radio broadcasters	\$ 3,746,089	\$ 4,345,215
Interest received	<u>230,764</u>	<u>239,676</u>
	<u>3,976,853</u>	<u>4,584,891</u>
Assistance contributions paid	2,290,678	2,391,913
Purchase of goods and services paid	68,096	66,954
Employee compensations paid	<u>204,894</u>	<u>183,877</u>
	<u>2,563,668</u>	<u>2,642,744</u>
	<u>1,413,185</u>	<u>1,942,147</u>
INVESTING ACTIVITIES		
Term deposits	<u>(1,850,000)</u>	<u>(1,950,000)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(436,815)	(7,853)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>717,251</u>	<u>725,104</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (note 6)	<u>\$ 280,436</u>	<u>\$ 717,251</u>

The accompanying notes are an integral part of these financial statements.

1. STATUTES AND PURPOSE OF THE ORGANIZATION

Fonds RadioStar was incorporated as a not-for-profit organization without share capital on February 16, 2001 pursuant to Part II of the Canada Business Corporations Act. In December 2013, Fonds RadioStar extended these statutes under section 211 of the *Canada Not-for-profit Corporations Act*.

The primary objective of Fonds RadioStar, which is a not-for-profit organization, is to assist promising and emerging talent by providing significant financial support for projects involving the promotion of recording company that are likely to have a considerable impact on the career of French-Canadian artists. The support provided by the Organization is complementary to existing assistance programs, and adds momentum to marketing efforts. Fonds RadioStar pays non-refundable contributions to eligible recording companies.

Pursuant to the *Income Tax Act* (Canada) and *Taxation Act* (Quebec), Fonds RadioStar is classified as a not-for-profit organization, and therefore, is not subject to income taxes.

2. FUNDING OF THE ORGANIZATION

Fonds RadioStar revenues are generated by financial contributions from broadcast companies through the Canadian Association of Broadcasters (CAB).

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Revenue recognition

Fonds RadioStar uses the deferral method of accounting to recognize its contributions. Contributions to Fonds RadioStar and its Anglophone counterpart, Radio Starmaker Fund, come from financial contributions that are required from broadcast companies by the Canadian Radio-television and Telecommunications Commission (CRTC) in connection with transactions involving the acquisition of broadcast companies. A minimum of 3% of these transactions must be paid to those two new Canadian music marketing funds.

Generally speaking, for transactions involving Francophone stations, 80% of the 3% is paid to Fonds RadioStar; for transactions involving Anglophone stations, 20% of the 3% is paid to Fonds RadioStar. The Canadian Association of Broadcasters (CAB) collects 3% of the value of the transactions and redistributes it to the two funds in accordance with the payment terms that are approved by the CRTC. These financial contributions are recorded on a cash basis. Interest income is recognized as it is earned.

FONDS RADIOSTAR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Measurement of financial instruments

Fonds RadioStar initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured either at the carrying amount or the exchange amount. They are subsequently measured at amortized cost.

Other asset

The other asset is recognized at cost. Amortization is calculated according to the straight-line method over a four-year period.

Contributed services

Members of the Organization's Board of Directors attend Board meetings without compensation. The value of the time donated by these individuals is not recorded in the financial statements, as it is difficult to measure its fair value.

Cash and cash equivalents

The Fonds RadioStar's policy is to disclose in cash and cash equivalents, cash, term and demand deposits with maturity dates not exceeding three months from the date of acquisition.

4. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors allocated net assets in the amount of \$1,375,284 (\$1,628,543 in 2014) in order to cover the payment of commitments related to financial contributions for which Fonds RadioStar was committed as at August 31, 2015.

5. OTHER ASSET

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Website	\$ <u>9,030</u>	<u>9,030</u>	\$ <u>-</u>	\$ <u>753</u>

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	2015	2014
Cash	\$ <u><u>280,436</u></u>	\$ <u><u>717,251</u></u>

FONDS RADIOSTAR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015

7. ACCOUNTS PAYABLE

	<u>2015</u>	<u>2014</u>
Trade payables	\$ -	\$ 629
Accrued salaries	15,836	12,890
Deductions at source	<u>-</u>	<u>5,083</u>
	<u>\$ 15,836</u>	<u>\$ 18,602</u>

8. RELATED PARTY TRANSACTIONS

The Organization concluded the following related party transactions: contributions received from radio broadcasters of \$3,296,759 (\$3,870,961 in 2014) and assistance contributions paid of \$529,236 (\$496,612 in 2014).

The parties are related due to the fact that their representatives are directors of the Organization. These related entities meet all the criteria established by Fonds RadioStar, and as such, they do not benefit from any particular statute or privilege over another through their membership on the Board of Directors.

These transactions were made in the normal course of business and are measured at the exchange amount for which management declares that they were carried out under the same terms and conditions as transactions with parties dealing at arm's length.

9. COMMITMENTS

Assistance contributions

Fonds RadioStar is contractually committed to make contributions totalling \$1,375,284 (\$1,628,543 in 2014). Of this amount, \$229,449 (\$289,651 in 2014) represents commitments to related entities.

10. FINANCIAL INSTRUMENTS

Interest rate risk

Fonds RadioStar is exposed to interest rate risk regarding its financial instruments with fixed interest rates. Financial instruments with fixed interest rates expose Fonds RadioStar to a fair value risk. As at August 31, 2015, Fonds RadioStar holds term deposits with short-term and long-term maturities which expose the organization to this risk.

FONDS RADIOSTAR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2015

11. CONTRIBUTIONS FROM RADIO BROADCASTERS

As at August 31, 2015, radio broadcasters are committed to pay the Organization contributions totalling \$82,520 (\$44,750 in 2014) in compliance with the Canadian Radio-Television and Telecommunications Commission (CRTC) requirements.

12. OPERATING EXPENSES

Under the terms of the proposal to establish a marketing and promotional fund for French language Canadian music, called « Fonds RadioStar », which was presented by the Canadian Association of Broadcasters (CAB) to the Canadian Radio-television and Telecommunications Commission (CRTC) in September 2000, and approved by the latter on November 9, 2000, the operating expenses cannot exceed 10% of broadcaster contributions made during the Fund's existence. Between August 2001 and August 31, 2015, expenses represent 7.5% of the contributions.

13. PENSION PLAN

Fonds RadioStar has a defined contribution pension plan providing pension to its employees with at least three months of service. Contributions to the pension plan represent 7% of the basic salary and are subject to the employee's voluntary contribution of 3.5%. The pension plan costs of \$11,636 (\$10,668 in 2014) are included within salary expenses in the statement of earnings.

INDEPENDENT AUDITOR'S REPORT

To the Directors of Fonds RadioStar

We have audited the accompanying financial statements of **Fonds RadioStar**, which comprise the balance sheet as at August 31, 2015, and the statements of earnings, 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 **Fonds RadioStar** as at August 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.

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Anjou,
November 27, 2015

¹ Monique Beaulieu, CPA auditor, CGA

FONDS RADIOSTAR**STATEMENT OF EARNINGS****FOR THE YEAR ENDED AUGUST 31, 2015****18**

	<u>2015</u>	<u>2014</u>
REVENUE		
Contributions from radio broadcasters	\$ 3,756,589	\$ 4,354,665
Management fees – CAB	<u>(10,500)</u>	<u>(9,450)</u>
	3,746,089	4,345,215
Interest	<u>277,490</u>	<u>262,982</u>
	<u>4,023,579</u>	<u>4,608,197</u>
OPERATING EXPENSES		
Salaries and fringe benefits	202,757	185,357
Professional fees	12,072	12,072
Rent	35,000	35,000
Communication	16,832	17,213
Insurance	1,388	1,799
Meeting expenses	<u>2,173</u>	<u>1,909</u>
	<u>270,222</u>	<u>253,350</u>
EXCESS AVAILABLE FOR ASSISTANCE CONTRIBUTIONS	3,753,357	4,354,847
Assistance contributions	<u>2,290,678</u>	<u>2,391,913</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE AMORTIZATION	1,462,679	1,962,934
Amortization of other asset	<u>753</u>	<u>2,258</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 1,461,926</u>	<u>\$ 1,960,676</u>

The accompanying notes are an integral part of these financial statements.

FONDS RADIOSTAR**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED AUGUST 31, 2015****19**

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
BALANCE - BEGINNING OF YEAR	\$ 12,470,500	\$ 10,724,381
EXCESS OF REVENUE OVER EXPENSES	1,461,926	1,960,676
Internal restrictions	<u>253,259</u>	<u>(214,557)</u>
BALANCE - END OF YEAR	\$ <u>14,185,685</u>	\$ <u>12,470,500</u>
INTERNALLY RESTRICTED NET ASSETS (note 4)		
BALANCE - BEGINNING OF YEAR	\$ 1,628,543	\$ 1,413,986
Internal restrictions	<u>(253,259)</u>	<u>214,557</u>
BALANCE - END OF YEAR	\$ <u>1,375,284</u>	\$ <u>1,628,543</u>

The accompanying notes are an integral part of these financial statements.

FONDS RADIOSTAR**BALANCE SHEET****AS AT AUGUST 31, 2015****20**

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Cash	\$ 280,436	\$ 717,251
Accrued interest receivable	195,648	148,922
Term deposits, interest rate ranging from 0.85% to 1.7%, maturing in September 2015	5,100,000	6,750,000
Prepaid expenses	721	719
	<u>5,576,805</u>	<u>7,616,892</u>
LONG-TERM INVESTMENTS		
Redeemable demand deposits, interest rate ranging from 1.90% to 2.20%, maturing between September 2016 and September 2017	10,000,000	6,500,000
OTHER ASSET (note 5)	<u>-</u>	<u>753</u>
	<u>\$ 15,576,805</u>	<u>\$ 14,117,645</u>
LIABILITIES		
CURRENT		
Accounts payable (note 7)	\$ 15,836	\$ 18,602
NET ASSETS		
Unrestricted net assets	14,185,685	12,470,500
Internally restricted net assets (note 4)	1,375,284	1,628,543
	<u>15,560,969</u>	<u>14,099,043</u>
	<u>\$ 15,576,805</u>	<u>\$ 14,117,645</u>

APPROVED ON BEHALF OF THE BOARD

Yves Bombardier
President



Solange Drouin
Treasurer

The accompanying notes are an integral part of these financial statements.

FONDS RADIOSTAR**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED AUGUST 31, 2015****21**

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Contributions received from radio broadcasters	\$ 3,746,089	\$ 4,345,215
Interest received	<u>230,764</u>	<u>239,676</u>
	<u>3,976,853</u>	<u>4,584,891</u>
Assistance contributions paid	2,290,678	2,391,913
Purchase of goods and services paid	68,096	66,954
Employee compensations paid	<u>204,894</u>	<u>183,877</u>
	<u>2,563,668</u>	<u>2,642,744</u>
	<u>1,413,185</u>	<u>1,942,147</u>
INVESTING ACTIVITIES		
Term deposits	<u>(1,850,000)</u>	<u>(1,950,000)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(436,815)	(7,853)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>717,251</u>	<u>725,104</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (note 6)	\$ <u>280,436</u>	\$ <u>717,251</u>

The accompanying notes are an integral part of these financial statements.

1. STATUTES AND PURPOSE OF THE ORGANIZATION

Fonds RadioStar was incorporated as a not-for-profit organization without share capital on February 16, 2001 pursuant to Part II of the Canada Business Corporations Act. In December 2013, Fonds RadioStar extended these statutes under section 211 of the *Canada Not-for-profit Corporations Act*.

The primary objective of Fonds RadioStar, which is a not-for-profit organization, is to assist promising and emerging talent by providing significant financial support for projects involving the promotion of recording company that are likely to have a considerable impact on the career of French-Canadian artists. The support provided by the Organization is complementary to existing assistance programs, and adds momentum to marketing efforts. Fonds RadioStar pays non-refundable contributions to eligible recording companies.

Pursuant to the *Income Tax Act* (Canada) and *Taxation Act* (Quebec), Fonds RadioStar is classified as a not-for-profit organization, and therefore, is not subject to income taxes.

2. FUNDING OF THE ORGANIZATION

Fonds RadioStar revenues are generated by financial contributions from broadcast companies through the Canadian Association of Broadcasters (CAB).

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Revenue recognition

Fonds RadioStar uses the deferral method of accounting to recognize its contributions. Contributions to Fonds RadioStar and its Anglophone counterpart, Radio Starmaker Fund, come from financial contributions that are required from broadcast companies by the Canadian Radio-television and Telecommunications Commission (CRTC) in connection with transactions involving the acquisition of broadcast companies. A minimum of 3% of these transactions must be paid to those two new Canadian music marketing funds.

Generally speaking, for transactions involving Francophone stations, 80% of the 3% is paid to Fonds RadioStar; for transactions involving Anglophone stations, 20% of the 3% is paid to Fonds RadioStar. The Canadian Association of Broadcasters (CAB) collects 3% of the value of the transactions and redistributes it to the two funds in accordance with the payment terms that are approved by the CRTC. These financial contributions are recorded on a cash basis. Interest income is recognized as it is earned.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial instruments***Measurement of financial instruments*

Fonds RadioStar initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured either at the carrying amount or the exchange amount. They are subsequently measured at amortized cost.

Other asset

The other asset is recognized at cost. Amortization is calculated according to the straight-line method over a four-year period.

Contributed services

Members of the Organization's Board of Directors attend Board meetings without compensation. The value of the time donated by these individuals is not recorded in the financial statements, as it is difficult to measure its fair value.

Cash and cash equivalents

The Fonds RadioStar's policy is to disclose in cash and cash equivalents, cash, term and demand deposits with maturity dates not exceeding three months from the date of acquisition.

4. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors allocated net assets in the amount of \$1,375,284 (\$1,628,543 in 2014) in order to cover the payment of commitments related to financial contributions for which Fonds RadioStar was committed as at August 31, 2015.

5. OTHER ASSET

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Website	\$ <u>9,030</u>	<u>9,030</u>	\$ <u>-</u>	\$ <u>753</u>

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	2015	2014
Cash	\$ <u>280,436</u>	\$ <u>717,251</u>

7. ACCOUNTS PAYABLE

	<u>2015</u>	<u>2014</u>
Trade payables	\$ -	\$ 629
Accrued salaries	15,836	12,890
Deductions at source	<u>-</u>	<u>5,083</u>
	<u>\$ 15,836</u>	<u>\$ 18,602</u>

8. RELATED PARTY TRANSACTIONS

The Organization concluded the following related party transactions: contributions received from radio broadcasters of \$3,296,759 (\$3,870,961 in 2014) and assistance contributions paid of \$529,236 (\$496,612 in 2014).

The parties are related due to the fact that their representatives are directors of the Organization. These related entities meet all the criteria established by Fonds RadioStar, and as such, they do not benefit from any particular statute or privilege over another through their membership on the Board of Directors.

These transactions were made in the normal course of business and are measured at the exchange amount for which management declares that they were carried out under the same terms and conditions as transactions with parties dealing at arm's length.

9. COMMITMENTS**Assistance contributions**

Fonds RadioStar is contractually committed to make contributions totalling \$1,375,284 (\$1,628,543 in 2014). Of this amount, \$229,449 (\$289,651 in 2014) represents commitments to related entities.

10. FINANCIAL INSTRUMENTS**Interest rate risk**

Fonds RadioStar is exposed to interest rate risk regarding its financial instruments with fixed interest rates. Financial instruments with fixed interest rates expose Fonds RadioStar to a fair value risk. As at August 31, 2015, Fonds RadioStar holds term deposits with short-term and long-term maturities which expose the organization to this risk.

11. CONTRIBUTIONS FROM RADIO BROADCASTERS

As at August 31, 2015, radio broadcasters are committed to pay the Organization contributions totalling \$82,520 (\$44,750 in 2014) in compliance with the Canadian Radio-Television and Telecommunications Commission (CRTC) requirements.

12. OPERATING EXPENSES

Under the terms of the proposal to establish a marketing and promotional fund for French language Canadian music, called « Fonds RadioStar », which was presented by the Canadian Association of Broadcasters (CAB) to the Canadian Radio-television and Telecommunications Commission (CRTC) in September 2000, and approved by the latter on November 9, 2000, the operating expenses cannot exceed 10% of broadcaster contributions made during the Fund's existence. Between August 2001 and August 31, 2015, expenses represent 7.5% of the contributions.

13. PENSION PLAN

Fonds RadioStar has a defined contribution pension plan providing pension to its employees with at least three months of service. Contributions to the pension plan represent 7% of the basic salary and are subject to the employee's voluntary contribution of 3.5%. The pension plan costs of \$11,636 (\$10,668 in 2014) are included within salary expenses in the statement of earnings.