

Trent Radio

Financial Statements

August 31, 2023
(Unaudited)



August 31, 2023

CONTENTS

	<u>Page</u>
Financial Statements	
Independent Practitioner's Review Engagement Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10



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Independent Practitioner's Review Engagement Report

To the Members of Trent Radio

We have reviewed the accompanying financial statements of Trent Radio that comprise the statement of financial position as at August 31, 2023, and the statements of operations, 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 require 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.

Independent Practitioner's Review Engagement Report (continued)

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2023 and August 31, 2022, current assets and net assets as at August 31, 2023 and August 31, 2022. Our review conclusion on the financial statements for the year ended August 31, 2022 was also modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 the Organization as at August 31, 2023, 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.

J.D. Watson & Associates

**Chartered Professional Accountant Authorized
to practice public accounting by the Institute of
Chartered Professional Accountants of Ontario**

**Peterborough, Ontario
November 22, 2023**

Trent Radio

Statement of Financial Position

August 31, 2023

(Unaudited)

	Note	2023	2022
Assets			
Current Assets			
Cash		\$ 327,364	\$ 208,222
Accounts receivable		86,029	105,053
Prepaid		2,817	3,318
HST receivable		4,443	7,198
Total Current Assets		420,653	323,791
Property and equipment	4.	89,971	98,517
Total Assets		\$ 510,624	\$ 422,308
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 6,953	\$ 11,197
Employee remittances payable		(1,745)	3,991
Deferred contributions	5.	24,296	960
Total Current Liabilities		29,504	16,148
Equity			
Unrestricted		391,149	307,643
Invested in capital assets		89,971	98,517
		481,120	406,160
		\$ 510,624	\$ 422,308

Approved on Behalf of the Board:

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

Trent Radio

Statement of Operations

For the Year Ended August 31, 2023

(Unaudited)

	Note	2023	2022
Revenue			
Membership fees		\$ 199,929	\$ 188,636
Production & management fees	6.	142,201	101,987
Community Radio Fund of Canada		17,589	60,900
Rental		11,340	11,503
Municipal - Community Investment Grants		9,900	9,250
Provincial - Trent Work Study Program		9,600	10,398
Sponsorships and on-air time sales		8,074	6,350
Donations and fundraising		5,999	21,331
Federal - Canada Summer Jobs		3,759	13,338
Merchandise and miscellaneous		395	614
Total revenue		408,786	424,307
Operating expenses			
Salaries and benefits		197,630	216,584
Production and management expenses	6.	68,555	76,087
Office expenses		18,380	13,756
Sub-contracts		10,694	4,359
Repairs and maintenance		9,789	20,606
Amortization		8,546	9,240
Utilities		4,486	4,186
Insurance		4,475	4,344
Professional fees		4,345	6,517
Memberships		2,963	2,645
Dues and subscriptions		1,751	3,247
Advertising and promotion		1,393	2,680
Bank charges		426	1,039
Artist fees and honoraria		250	19,000
Postage and courier		143	-
Merchandise		-	1,008
Total operating expenses		333,826	385,298
EXCESS OF REVENUE OVER EXPENDITURES		\$ 74,960	\$ 39,009

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

Trent Radio

Statement of Changes in Net Assets

For the Year Ended August 31, 2023

(Unaudited)

	Unrestricted	Invested in capital assets	2023	2022
BALANCE, BEGINNING OF YEAR	\$ 307,643	\$ 98,517	\$ 406,160	\$ 367,151
Excess (deficiency) of revenue over expenditures	83,506	(8,546)	74,960	39,009
BALANCE, END OF YEAR	\$ 391,149	\$ 89,971	\$ 481,120	\$ 406,160

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

Trent Radio

Statement of Cash Flows

For the Year Ended August 31, 2023

(Unaudited)

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess (deficiency) of revenue over expenditures	\$	74,960	\$ 39,009
Amortization		8,546	9,240
(Increase) decrease in accounts receivable		19,026	(91,202)
(Increase) decrease in prepaid		501	(321)
(Increase) decrease in HST receivable		2,755	(4,181)
Increase (decrease) in accounts payable and accrued liabilities		(4,246)	1,613
Increase (decrease) in employee remittances payable		(5,736)	687
Increase (decrease) in deferred contributions		23,336	(6,070)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		119,142	(51,225)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment		-	(7,728)
INCREASE (DECREASE) IN CASH		119,142	(58,953)
CASH, BEGINNING OF YEAR		208,222	267,175
CASH, END OF YEAR	\$	327,364	\$ 208,222

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

Trent Radio

Notes to the Financial Statements

For the Year Ended August 31, 2023

(Unaudited)

1. Nature of operations

Trent Radio is primarily sponsored and operated by the Trent University students. The organization is a non-profit cultural and educational radio broadcasting to Peterborough and the Kawarthas as CFFF-FM, 92.7 FM.

The organization was incorporated on January 16, 1978 without share capital under the laws of Ontario. The registered charity as defined under the Income Tax Act (Canada) is exempt from income tax.

2. Basis of accounting and significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit enterprises.

a. Contributed services

Volunteers contribute their time to assist the organization in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

b. Property and equipment

Property and equipment are statement at cost. Contributed property and equipment is stated at fair market value at the date of contribution.

Amortization is provided on a straight-line basis over the assets estimated useful lives, which is 25 years for the building and 7 years for the equipment.

c. Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts payable and accrued liabilities, accounts receivable, deferred contributions.

Trent Radio

Notes to the Financial Statements

For the Year Ended August 31, 2023

(Unaudited)

2. Basis of accounting and significant accounting policies (continued)

d. Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership and rental income are recognized over the terms of service.

Production and management fees are earned as services are performed under the Trent Student Annual Publication Corporation (TSAPC) agreement.

e. Financial instruments

i. Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, HST receivable, and property and equipment.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, employee remittances, and deferred contributions.

ii. Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in excess (deficiency) of revenue over expenditures. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess (deficiency) of revenue over expenditures up to the amount of the previously recognized impairment.

Trent Radio

Notes to the Financial Statements

For the Year Ended August 31, 2023

(Unaudited)

3. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

a. Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. Their carrying value based on the presumption that the organization is a going concern and thus expects to fully repay the outstanding amounts.

b. Credit risk

The organization does have credit risk in accounts receivable \$86,028 (2022-\$105,053). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management, the credit risk exposure to the organization is low due to the financial stability of their funder Trent University.

c. Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities and employee remittances of \$5,101 (2022-\$15,188). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate credit to repay trade creditors as they become due. In the opinion of management the liquidity risk exposure to the organization low.

4. Property and equipment

Property and equipment consist of the following:

			2023	2022
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Buildings	213,566	(158,621)	54,945	57,234
Equipment	343,400	(323,936)	19,464	24,330
Office equipment	28,500	(22,938)	5,562	6,953
Total	\$ 595,466	\$ (505,495)	\$ 89,971	\$ 98,517

Trent Radio

Notes to the Financial Statements

For the Year Ended August 31, 2023

(Unaudited)

5. Deferred contributions

Deferred contributions represent unspent restricted operating funding received in the current year that is related to the subsequent year.

6. Trent annual yearbook

Trent Radio has been appointed by the Trent Student Annual Publication (TSAPC) to manage and administer the affairs of TSAPC. As such, Trent Radio receives an annual sum from TSAPC and incurs costs in relation to management and administration.

	<u>2023</u>	<u>2022</u>
Production and management fees	\$ 140,851	\$ 101,087
Production and management expenses	(68,555)	(76,087)
	<u>\$ 72,296</u>	<u>\$ 25,000</u>

Production and management fees include amounts related to salaries and benefits, which have been reclassified on the statement of operations to show the complete production and management costs associated with the yearbook.

7. Economic dependence

Membership fees consist of student fees levied from full-time students enrolled at the Trent University Peterborough campus during the fall and winter semesters. Trent Radio relies on the University to levy the appropriate fees from the students.