

Trent Radio

Financial Statements

August 31, 2024
(Unaudited)



August 31, 2024

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Jason D. Watson Professional Corp.

CHARTERED PROFESSIONAL ACCOUNTANT

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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, 2024, 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, 2024, and August 31, 2023, current assets and net assets as at August 31, 2024 and August 31, 2023.

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, 2024, 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.

Jason D. Watson Professional Corp.

Chartered Professional Accountant authorized to
practise public accounting by the Institute of
Chartered Professional Accountants of Ontario

**Peterborough, Ontario
November 14, 2024**

Trent Radio

Statement of Financial Position

August 31, 2024

(Unaudited)

	Note	2024	2023
Assets			
Current Assets			
Cash		\$ 204,404	\$ 327,364
Accounts receivable		159,772	86,029
Promissory note receivable	4.	75,000	-
Prepaid		2,999	2,817
Payroll deposit		9,544	7,747
HST receivable		5,802	4,443
Total Current Assets		457,521	428,400
Property and equipment	5.	91,916	89,971
Total Assets		\$ 549,437	\$ 518,371

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

Trent Radio

Statement of Financial Position (continued)

August 31, 2024

(Unaudited)

	Note	2024	2023
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 10,211	\$ 6,953
Vacation payable		2,966	-
Deferred contributions	6.	150	24,296
Government remittances payable		9,544	6,002
Total Current Liabilities		22,871	37,251
Equity			
Unrestricted		434,650	391,149
Invested in capital assets		91,916	89,971
		526,566	481,120
		\$ 549,437	\$ 518,371

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, 2024

(Unaudited)

	Note	2024	2023
Revenue			
Membership fees		\$ 221,967	\$ 199,929
Production & management fees	7.	151,393	140,851
Community Radio Fund of Canada		88,722	17,589
Provincial - Trent Work Study Program		21,301	9,600
Donations and fundraising		18,923	5,999
Municipal - Community Investment Grants		9,900	9,900
Rental		7,315	11,340
Sponsorships and on-airtime sales		7,264	8,074
Federal - Canada Summer Jobs		6,318	3,759
Merchandise and miscellaneous		2,781	1,745
Total revenue		535,884	408,786
Operating expenses			
Salaries and benefits		311,030	197,630
Production and management expenses	7.	82,212	68,555
Sub-contracts		18,274	10,694
Office expenses		18,129	18,410
Repairs and maintenance		13,076	9,789
Artist fees and honoraria		12,000	250
Amortization		8,220	8,546
Dues and subscriptions		6,627	4,715
Professional fees		5,121	4,314
Utilities		4,909	4,486
Advertising and promotion		4,726	1,393
Insurance		4,188	4,475
Merchandise		1,568	-
Bank charges		388	426
Postage and courier		19	143
Total operating expenses		490,487	333,826
Interest income		49	-
EXCESS OF REVENUE OVER EXPENDITURES		\$ 45,446	\$ 74,960

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, 2024

(Unaudited)

	Unrestricted	Invested in capital assets	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 391,149	\$ 89,971	\$ 481,120	\$ 406,160
Excess (deficiency) of revenue over expenditures	43,501	1,945	45,446	74,960
BALANCE, END OF YEAR	\$ 434,650	\$ 91,916	\$ 526,566	\$ 481,120

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

Trent Radio

Statement of Cash Flows

For the Year Ended August 31, 2024

(Unaudited)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess (deficiency) of revenue over expenditures	\$	45,446	\$ 74,960
Amortization		8,220	8,546
(Increase) decrease in accounts receivable		(148,741)	19,024
(Increase) decrease in prepaid		(182)	501
(Increase) decrease in HST receivable		(1,359)	2,755
Increase (decrease) in accounts payable and accrued liabilities		3,258	(4,246)
Increase (decrease) in wages payable		10,712	(7,746)
Increase (decrease) in deferred contributions		(24,146)	23,336
Increase (decrease) in government remittances payable		(6,002)	2,011
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		(112,794)	119,141
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment		(10,166)	1
INCREASE (DECREASE) IN CASH		(122,960)	119,142
CASH, BEGINNING OF YEAR		327,364	208,222
CASH, END OF YEAR	\$	204,404	\$ 327,364

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

Trent Radio

Notes to the Financial Statements

For the Year Ended August 31, 2024

(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, 2024

(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, 2024

(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 \$159,773 (2023-\$86,028). 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 \$22,722 (2023-\$5,101). 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. Promissory note

During the year, the organization (lender) signed a one-year loan agreement with Habitat for Humanity Peterborough & Kawartha Region (borrower) beginning subsequent to the year end on September 1, 2024. The principal amount of the loan is \$75,000 with an annual interest rate of 4.5% and an initial principal repayment date of August 19, 2025. Interest payments as per the terms of the agreement are, \$1,125 due on December 31, 2024, and \$2,247 due August 31, 2025. As at August 31, 2024, the organization had already transferred the funds to Habitat for Humanity prior to the promissory notes start date. Therefore, it has been included on the statement of financial position as a current asset with no interest to accrue.

Trent Radio

Notes to the Financial Statements

For the Year Ended August 31, 2024

(Unaudited)

5. Property and equipment

			2024	2023
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Buildings	213,566	(160,819)	52,747	54,945
Equipment	353,564	(328,845)	24,719	19,464
Office equipment	28,500	(24,050)	4,450	5,562
Total	\$ 605,630	\$ (513,714)	\$ 91,916	\$ 89,971

6. Deferred contributions

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

7. 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.

	2024	2023
Production and management fees	\$ 151,393	\$ 140,851
Production and management expenses	(82,212)	(68,555)
	\$ 69,181	\$ 72,296

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.

8. 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.

Trent Radio

Notes to the Financial Statements

For the Year Ended August 31, 2024

(Unaudited)

9. Subsequent events

Subsequent to the year end, the organization invested \$35,000 of the funds sitting in the Tangerine savings account. The \$35,000 was used to purchase a 2-year GIC with an annual interest rate of 4.10% maturing September 18th, 2026.