

COMMUNITY UNIVERSITY TELEVISION -  
CONCORDIA (CUTV)

Financial Statements

April 30, 2021

COMMUNITY UNIVERSITY TELEVISION -  
CONCORDIA (CUTV)

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**Amstutz Inc.**  
**Comptables Professionnels Agréés**

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
COMMUNITY UNIVERSITY TELEVISION - CONCORDIA (CUTV)

**Opinion** - We have audited the financial statements of COMMUNITY UNIVERSITY TELEVISION - CONCORDIA (CUTV) (the Entity), which comprise the balance sheet as at April 30, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2021, 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.

**Basis for Opinion** - We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements** - Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements** - Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

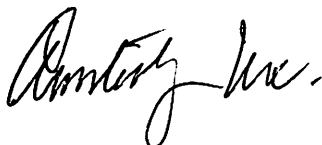
We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Comparative information

Without modifying our opinion we draw attention to Note 2 to the financial statements which describes that COMMUNITY UNIVERSITY TELEVISION - CONCORDIA (CUTV) adopted Canadian accounting standards for not-for-profit organizations on May 1, 2020 with a transition date of May 1, 2019. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at April 30, 2020 and May 1, 2019 and the statements of operations, changes in net assets and cash flows for the year ended April 30, 2020 and related disclosures. We were not engaged to report on the comparative information, and as such, it is not audited.



By: Ron Amstutz, CPA auditor, CA  
May 14, 2021  
Montreal, Quebec  
Permit No: A105202

COMMUNITY UNIVERSITY TELEVISION -  
 CONCORDIA (CUTV)  
 STATEMENT OF OPERATIONS  
 year ended April 30, 2021

	<u>2 0 2 1</u>	<u>2 0 2 0</u> (unaudited)
<b>REVENUES</b>		
Student fee levies (net of opt-out payments of \$11,029)	\$ 260,586	\$ 252,864
The Breach - member sustainers		
Crowd funding campaign	62,030	-
Subsidies and grants		
Canadian Association of Community Television Users and Stations (CACTUS)		
COVID-19 Relief Fund (Schedule)	22,859	-
Local Journalism Initiative, wage subsidy	19,000	-
Other	19,032	1,888
Membership fees	<u>2,951</u>	<u>-</u>
	<u>386,458</u>	<u>254,752</u>
<b>EXPENSES</b>		
Salaries and fringe benefits	172,025	186,584
Professional fees	26,425	15,970
Amortization	25,759	28,030
The Breach	22,598	-
Rent and lease payments	13,164	3,589
Taxes and licenses	11,064	36
Insurance	6,826	13,011
Marketing and outreach	4,077	-
Website	3,267	15,431
Training	2,665	-
Interest and bank charges	2,303	133
Volunteer appreciation	2,200	-
Dues and subscriptions	1,858	-
Workshop facilitation	1,350	-
Bad debts	1,109	-
Grassroots Journalism Fund	740	-
Office supplies and stationery	677	4,832
Travel and promotion	545	13,881
Board expenses	282	-
Meals and entertainment	-	999
Maintenance and repairs	-	7,919
Telecommunications	<u>-</u>	<u>831</u>
	<u>298,934</u>	<u>291,246</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ <u>87,524</u></b>	<b>\$ <u>(36,494)</u></b>

The accompanying notes form an integral part of the financial statements.

COMMUNITY UNIVERSITY TELEVISION -  
 CONCORDIA (CUTV)  
 STATEMENT OF CHANGES IN NET ASSETS  
 year ended April 30, 2021

	<u>Invested in capital assets</u>	<u>Unrestricted funds</u>	<u>2 0 2 1 Total</u>	<u>2 0 2 0 (unaudited) Total</u>
Balance, beginning of year	\$ 122,992	\$ 154,914	\$ 277,906	\$ 314,400
Excess (deficiency) of revenues over expenses	-	87,524	87,524	(36,494)
Acquisition of capital assets	5,803	(5,803)	-	-
Amortization	<u>(25,759)</u>	<u>25,759</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>103,036</u>	\$ <u>262,394</u>	\$ <u>365,430</u>	\$ <u>277,906</u>

The accompanying notes form an integral part of the financial statements.

COMMUNITY UNIVERSITY TELEVISION -  
 CONCORDIA (CUTV)  
 BALANCE SHEET  
 as at April 30, 2021

	<u>April 30,</u> <u>2 0 2 1</u>	<u>April 30,</u> <u>2 0 2 0</u> (unaudited)	<u>May 1,</u> <u>2 0 1 9</u> (unaudited)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 257,756	\$ 13,495	\$ 24,047
Concordia University account	9,043	159,734	173,870
Prepaid expenses	<u>3,445</u>	<u>1,749</u>	<u>1,643</u>
	270,244	174,978	199,560
<b>CAPITAL ASSETS (Note 4)</b>	<u>103,036</u>	<u>122,992</u>	<u>129,283</u>
	<u>\$ 373,280</u>	<u>\$ 297,970</u>	<u>\$ 328,843</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued charges	\$ 7,620	\$ 5,178	\$ 5,676
Current portion of obligations under capital leases	<u>230</u>	<u>7,416</u>	<u>6,622</u>
	7,850	12,594	12,298
<b>OBLIGATIONS UNDER CAPITAL LEASES (Note 6)</b>	<u>-</u>	<u>7,470</u>	<u>2,145</u>
	<u>7,850</u>	<u>20,064</u>	<u>14,443</u>
<b>NET ASSETS</b>			
Invested in capital assets	103,036	122,992	129,285
Unrestricted	<u>262,394</u>	<u>154,914</u>	<u>185,115</u>
	<u>365,430</u>	<u>277,906</u>	<u>314,400</u>
	<u>\$ 373,280</u>	<u>\$ 297,970</u>	<u>\$ 328,843</u>

CONTRACTUAL OBLIGATION (Note 7)  
 COMMITMENTS (Note 8)

ON BEHALF OF THE BOARD

....., administrator

....., administrator

The accompanying notes form an integral part of the financial statements.

COMMUNITY UNIVERSITY TELEVISION -  
 CONCORDIA (CUTV)  
 STATEMENT OF CASH FLOWS  
 year ended April 30, 2021

	<u>2 0 2 0</u>	<u>2 0 1 9</u> (unaudited)
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 87,524	\$ (36,494)
Item not affecting cash		
Amortization	<u>25,759</u>	<u>28,030</u>
	113,283	(8,464)
Changes in non cash operating working capital		
Prepaid expenses	(1,696)	(106)
Accounts payable and accrued charges	<u>2,442</u>	<u>(498)</u>
	<u>114,029</u>	<u>(9,068)</u>
<b>FINANCING ACTIVITIES</b>		
Obligations under capital leases	<u>(14,656)</u>	<u>6,119</u>
	<u>(14,656)</u>	<u>6,119</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	<u>(5,803)</u>	<u>(21,739)</u>
	<u>(5,803)</u>	<u>(21,739)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	93,570	(24,688)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>173,229</u>	<u>197,917</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ <u>266,799</u>	\$ <u>173,229</u>

Cash and cash equivalents are comprised of the following:

Cash	\$ 257,756	\$ 13,495
Concordia University account	<u>9,043</u>	<u>159,734</u>
	\$ <u>266,799</u>	\$ <u>173,229</u>

The accompanying notes form an integral part of the financial statements



COMMUNITY UNIVERSITY TELEVISION -  
CONCORDIA (CUTV)  
NOTES TO THE FINANCIAL STATEMENTS  
as at April 30, 2021

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The organization, incorporated on January 11, 2012 under Part III of the Quebec Companies Act, is a not-for-profit organization and is exempt from income taxes.

The organization is Canada's oldest campus-based TV station and provides facilities, training and equipment for the Concordia community and Montrealers as well as to support production of alternative programming for those underserved by the corporate media.

2. IMPACT OF FIRST TIME ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These financial statements are the first financial statements for which the organization has applied Canadian accounting standards for not-for-profit organizations. First-time adoption of this basis of accounting had no impact on the balance sheet as at the date of transition, May 1, 2019, or on the excess of revenues over expenses and cash flows for the year ended April 30, 2020.

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:

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Revenue recognition

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

Cash and cash equivalents

The organization's policy is to disclose cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

COMMUNITY UNIVERSITY TELEVISION -  
 CONCORDIA (CUTV)  
 NOTES TO THE FINANCIAL STATEMENTS  
 as at April 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital assets

Capital assets are recorded at cost. They are amortized over their estimated useful lives using the declining-balance method at the following annual rates:

Equipment	20%
Computer hardware and audio	20%
Leased computer equipment	20%

Financial instruments

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

Financial assets measured at amortized cost include cash and Concordia University account. Financial liabilities measured at amortized cost include accounts payable and accrued charges.

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amorti- zation</u>	<u>2 0 2 1 Net Book Value</u>	<u>2 0 2 0 Net Book Value</u>
Equipment	\$ 97,690	\$ 60,476	\$ 37,214	\$ 46,517
Computer equipment and hardware	127,253	76,221	51,032	57,987
Leased computer equipment	<u>38,529</u>	<u>23,739</u>	<u>14,790</u>	<u>18,488</u>
	<u>\$ 263,472</u>	<u>\$ 160,436</u>	<u>\$ 103,036</u>	<u>\$ 122,992</u>

5. LINE OF CREDIT

The organization has an authorized line of credit of \$1,000 bearing interest at the rate of 19.99%.

6. OBLIGATIONS UNDER CAPITAL LEASES

	<u>2 0 2 1</u>	<u>2 0 2 0</u>
Leased computer equipment for an original amount of \$23,352, non interest bearing with various maturities from January 2021 to September 2022	\$ 230	\$ 14,886
Current portion	<u>230</u>	<u>7,416</u>
	<u>\$ -</u>	<u>\$ 7,470</u>

COMMUNITY UNIVERSITY TELEVISION -  
CONCORDIA (CUTV)  
NOTES TO THE FINANCIAL STATEMENTS  
as at April 30, 2021

7. CONTRACTUAL OBLIGATION

The organization has entered into an agreement with The Breach to assist this organization with its start up activities to the extent of \$360,000. The term of the assistance is for a period of four years ending February 1, 2025.

Included in expenses in the statement of operations to April 30, 2021, the organization has funded \$22,598 of The Breach's expenses.

8. COMMITMENTS

The organization has made the following funding commitments under the Grassroots Journalism Fund:

Metropolis: Municipal politics show	\$ 1,200
Talent search for Local 514	1,200
Black Lotus: dance performance	500
Quebec utopian projects	1,500
Bordeau protest	200
News report on Nunavut and Inuit self determination	400
Myanmar demonstration	200
Tenants Day mobilization	200
Legal struggles of Transgender people in Quebec	1,500
The SMS - The Standard	600
Dollarama workers	<u>1,000</u>
	<u>\$ 8,500</u>

9. FINANCIAL INSTRUMENTS

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued charges.

10. COMPARATIVE FIGURES

The figures presented for comparative purposes were not audited and are therefore not covered by this independent auditors' report.

COMMUNITY UNIVERSITY TELEVISION -  
CONCORDIA (CUTV)  
SUPPLEMENTARY INFORMATION  
for the period from April 1, 2020 to March 31, 2021

SCHEDULE

Canadian Association of Community Television  
Users and Stations (CACTUS) - COVID-19 Relief Fund

REVENUES

Grant - COVID-19 Relief Fund	\$ <u>22,859</u>
	<u>22,859</u>

LOSSES AND EXPENSES DUE TO COVID-19

Membership revenue losses	11,029
Fees for service contracts	6,481
Equipment and facilities rental	3,806
Bank fees for online opt-out payments	1,427
Other COVID related expenses (equipment, alterations to facilities, etc.)	<u>116</u>
	<u>22,859</u>

EXCESS OF REVENUES OVER EXPENSES	\$ <u><u>-</u></u>
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