

**COMMUNITY UNIVERSITY TELEVISION -
CONCORDIA (CUTV)**

Financial Statements

April 30, 2022

**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, 2022, 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, 2022, 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.

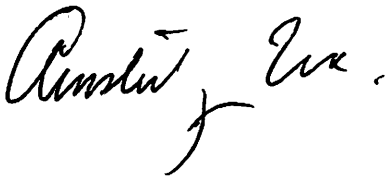
Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.



By: R. Amstutz, CPA auditor
July 26, 2022
Montreal, Quebec
Permit No: A105202

COMMUNITY UNIVERSITY TELEVISION -
 CONCORDIA (CUTV)
 STATEMENT OF OPERATIONS
 year ended April 30, 2022

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
REVENUES		
Student fee levies (net of opt-out payments of \$14,987)	\$ 247,243	\$ 260,586
Subsidies and grants		
Canadian Association of Community Television Users and Stations (CACTUS)		
Local Journalism Initiative, wage subsidy (Schedule A)	43,077	19,000
COVID-19 Relief Fund	-	22,859
Other	9,511	19,032
Membership fees	1,617	2,951
The Breach (Schedule B)	<u>297,803</u>	<u>62,030</u>
	<u>599,251</u>	<u>386,458</u>
EXPENSES		
Salaries and fringe benefits	216,288	172,025
Amortization	21,137	25,759
Grassroots Journalism Fund	15,961	740
Professional fees	8,589	26,425
Training	7,185	2,665
Rent and lease payments	6,014	13,164
Office expenses	3,627	677
Marketing and outreach	3,010	4,077
Equipment	2,007	-
Dues and subscriptions	1,719	1,858
Interest and bank charges	1,620	2,303
Website	1,500	3,267
Volunteer appreciation	1,143	2,200
Bad debts	1,070	1,109
Taxes and licenses	964	11,064
Insurance	514	6,826
Travel and promotion	225	545
Workshop facilitation	-	1,350
Board expenses	-	282
The Breach (Schedule B)	<u>315,385</u>	<u>22,598</u>
	<u>607,958</u>	<u>298,934</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ <u>(8,707)</u>	\$ <u>87,524</u>

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, 2022

			<u>2 0 2 2</u>	<u>2 0 2 1</u>
	<u>Invested in capital assets</u>	<u>Unrestricted funds</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 103,036	\$ 262,394	\$ 365,430	\$ 277,906
(Deficiency) excess of revenues over expenses	-	(8,707)	(8,707)	87,524
Acquisition of capital assets	2,653	(2,653)	-	-
Amortization	<u>(21,137)</u>	<u>21,137</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>84,552</u>	\$ <u>272,171</u>	\$ <u>356,723</u>	\$ <u>365,430</u>

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

COMMUNITY UNIVERSITY TELEVISION -
 CONCORDIA (CUTV)
 BALANCE SHEET
 as at April 30, 2022

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 155,706	\$ 257,756
Concordia University account	109,568	9,043
Prepaid expenses	<u>10,000</u>	<u>3,445</u>
	275,274	270,244
CAPITAL ASSETS (Note 3)	<u>84,552</u>	<u>103,036</u>
	\$ <u><u>359,826</u></u>	\$ <u><u>373,280</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 3,103	\$ 7,620
Current portion of obligations under capital leases	<u>-</u>	<u>230</u>
	3,103	7,850
OBLIGATIONS UNDER CAPITAL LEASES	<u>-</u>	<u>-</u>
	<u>3,103</u>	<u>7,850</u>
NET ASSETS		
Invested in capital assets	84,552	103,036
Unrestricted	<u>272,171</u>	<u>262,394</u>
	<u>356,723</u>	<u>365,430</u>
	\$ <u><u>359,826</u></u>	\$ <u><u>373,280</u></u>

CONTRACTUAL OBLIGATION (Note 5)
 COMMITMENTS (Note 6)

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, 2022

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	\$ (8,707)	\$ 87,524
Item not affecting cash		
Amortization	<u>21,137</u>	<u>25,759</u>
	12,430	113,283
Changes in non cash operating working capital		
Prepaid expenses	(6,555)	(1,696)
Accounts payable and accrued charges	<u>(4,517)</u>	<u>2,442</u>
	<u>1,358</u>	<u>114,029</u>
FINANCING ACTIVITIES		
Obligations under capital leases	<u>(230)</u>	<u>(14,656)</u>
	<u>(230)</u>	<u>(14,656)</u>
INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(2,653)</u>	<u>(5,803)</u>
	<u>(2,653)</u>	<u>(5,803)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,525)	93,570
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>266,799</u>	<u>173,229</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>265,274</u>	\$ <u>266,799</u>

Cash and cash equivalents are comprised of the following:

Cash	\$ 155,706	\$ 257,756
Concordia University account	<u>109,568</u>	<u>9,043</u>
	\$ <u>265,274</u>	\$ <u>266,799</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, 2022**

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. 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.

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 equipment and hardware	20%
Leased computer equipment	20%

COMMUNITY UNIVERSITY TELEVISION -
 CONCORDIA (CUTV)
 NOTES TO THE FINANCIAL STATEMENTS
 as at April 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amorti- zation</u>	<u>2 0 2 2</u> Net Book Value	<u>2 0 2 1</u> Net Book Value
Equipment	\$ 100,343	\$ 68,449	\$ 31,894	\$ 37,214
Computer equipment and hardware	127,253	86,427	40,826	51,032
Leased computer equipment	<u>38,529</u>	<u>26,697</u>	<u>11,832</u>	<u>14,790</u>
	<u>\$ 266,125</u>	<u>\$ 181,573</u>	<u>\$ 84,552</u>	<u>\$ 103,036</u>

4. LINE OF CREDIT

The organization has an authorized line of credit of \$1,000 bearing interest at the rate of 11.70%.

5. 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, 2022, the organization has funded \$315,385 of The Breach's expenses.

**COMMUNITY UNIVERSITY TELEVISION -
CONCORDIA (CUTV)
NOTES TO THE FINANCIAL STATEMENTS
as at April 30, 2022**

6. COMMITMENTS

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

A citizen's guide to city politics	\$ 750
Brave Media	1,500
Bill 2 - short film	400
Concordia food explainer	1,000
The Walker	1,500
Comedy sketches re anglophones	750
Twig Zines promoter	<u>1,000</u>
	<u>\$ 6,900</u>

7. 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.

COMMUNITY UNIVERSITY TELEVISION -
CONCORDIA (CUTV)
SUPPLEMENTARY INFORMATION
for the period ended April 30, 2022

SCHEDULE A

Canadian Association of Community Television
Users and Stations (CACTUS) - Local Journalism Initiative Fund

REVENUES

Wage subsidy - Local Journalism Initiative	\$ <u>43,077</u>
	<u>43,077</u>

EXPENSES

Salaries and fringe benefits	39,708
Equipment	<u>3,369</u>
	<u>43,077</u>

EXCESS OF REVENUES OVER EXPENSES	\$ <u><u>-</u></u>
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COMMUNITY UNIVERSITY TELEVISION -
 CONCORDIA (CUTV)
 SUPPLEMENTARY INFORMATION
 for the period ended April 30, 2022

SCHEDULE B

THE BREACH FUND

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
REVENUES - Member sustainers		
Crowd funding campaign	\$ 144,140	\$ 62,030
Indiegraf Media Inc. funding	50,000	-
Blue Engine Accelerator grant	64,341	-
Nature Canada funding	7,982	-
Donations	11,468	-
Emploi Québec - wage subsidy	<u>19,872</u>	<u>-</u>
	<u>297,803</u>	<u>62,030</u>
 EXPENSES		
Salaries and fringe benefits	221,493	18,445
Marketing and promotions	33,654	-
Indiegraf Media Inc. service fees	34,087	-
Rent	5,000	-
Subscriptions and licenses	5,888	-
Tools and supplies	7,214	4,153
Travel	594	-
Food and gifts	1,974	-
Web design and development	<u>5,481</u>	<u>-</u>
	<u>315,385</u>	<u>22,598</u>
 (Deficiency) excess of revenues over expenses	 \$ <u>(17,582)</u>	 \$ <u>39,432</u>