

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

Financial Statements

April 30, 2023

COMMUNITY UNIVERSITY TELEVISION -
CONCORDIA (CUTV)

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of operations	5
Statement of changes in net assets	6
Balance sheet	7
Statement of cash flows	8
Notes to the financial statements	9 - 11
SUPPLEMENTARY INFORMATION	
SCHEDULE A - Canadian Association of Community Television Users and Stations (CACTUS)	12

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, 2023, 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, 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.

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.

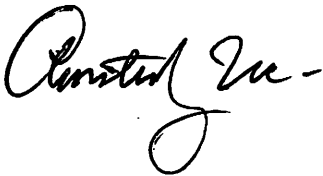
Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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: Stéphanie Beauchamp Amstutz, CPA auditor
September 15, 2023
Montreal, Quebec
Permit No: A142099

COMMUNITY UNIVERSITY TELEVISION -
 CONCORDIA (CUTV)
 STATEMENT OF OPERATIONS
 year ended April 30, 2023

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
REVENUES		
Student fee levies (net of opt-out payments of \$1,269)	\$ 239,058	\$ 247,243
Subsidies and grants		
Canadian Association of Community Television Users and Stations (CACTUS)		
Local Journalism Initiative, wage subsidy (Schedule A)	56,296	43,077
Other	4,663	9,511
Membership fees	1,595	1,617
The Breach	<u>-</u>	<u>297,803</u>
	<u>301,612</u>	<u>599,251</u>
EXPENSES		
Salaries and fringe benefits	266,357	216,288
Amortization	17,623	21,137
Grassroots Journalism Fund	12,901	15,961
Professional fees	6,619	8,589
Insurance	4,672	514
Marketing and outreach	4,588	3,010
Office expenses	4,574	3,627
Equipment	4,285	2,007
Rent and lease payments	2,997	6,014
Bad debts	2,943	1,070
Training	2,551	7,185
Interest and bank charges	1,950	1,620
Subcontractors	800	-
Taxes and licenses	247	964
Dues and subscriptions	207	1,719
Meals and entertainment	190	-
Website	68	1,500
Volunteer appreciation	-	1,143
Travel and promotion	-	225
The Breach	<u>-</u>	<u>315,385</u>
	<u>333,572</u>	<u>607,958</u>
(DEFICIENCY) OF REVENUES OVER EXPENSES	\$ <u>(31,960)</u>	\$ <u>(8,707)</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, 2023

			<u>2 0 2 3</u>	<u>2 0 2 2</u>
	Invested in capital <u>assets</u>	Unrestricted <u>funds</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 84,552	\$ 272,171	\$ 356,723	\$ 365,430
(Deficiency) of revenues over expenses	-	(31,960)	(31,960)	(8,707)
Transfer to The Breach (note 5)	-	(137,108)	(137,108)	-
Acquisition of capital assets	3,566	(3,566)	-	-
Amortization	<u>(17,623)</u>	<u>17,623</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>70,495</u>	\$ <u>117,160</u>	\$ <u>187,655</u>	\$ <u>356,723</u>

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

COMMUNITY UNIVERSITY TELEVISION -
 CONCORDIA (CUTV)
 BALANCE SHEET
 as at April 30, 2023

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 18,329	\$ 155,706
Concordia University Millenium account	105,970	109,568
Prepaid expenses	<u>-</u>	<u>10,000</u>
	124,299	275,274
CAPITAL ASSETS (Note 3)	<u>70,495</u>	<u>84,552</u>
	<u>\$ 194,794</u>	<u>\$ 359,826</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ <u>7,139</u>	\$ <u>3,103</u>
	<u>7,139</u>	<u>3,103</u>
NET ASSETS		
Invested in capital assets	70,495	84,552
Unrestricted	<u>117,160</u>	<u>272,171</u>
	<u>187,655</u>	<u>356,723</u>
	<u>\$ 194,794</u>	<u>\$ 359,826</u>

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, 2023

	<u>2 0 2 3</u>	<u>2 0 2 2</u>
OPERATING ACTIVITIES		
(Deficiency) of revenues over expenses	\$ (31,960)	\$ (8,707)
Item not affecting cash		
Amortization	<u>17,623</u>	<u>21,137</u>
	(14,337)	12,430
Changes in non cash operating working capital		
Account receivable	(90,000)	-
Prepaid expenses	10,000	(6,555)
Accounts payable and accrued charges	<u>4,036</u>	<u>(4,517)</u>
	<u>(90,301)</u>	<u>1,358</u>
FINANCING ACTIVITIES		
Obligations under capital leases	-	(230)
Transfer to The Breach (note 5)	<u>(137,108)</u>	<u>-</u>
	<u>(137,108)</u>	<u>(230)</u>
INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(3,566)</u>	<u>(2,653)</u>
	<u>(3,566)</u>	<u>(2,653)</u>
(DECREASE) IN CASH AND CASH EQUIVALENTS	(230,975)	(1,525)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>265,274</u>	<u>266,799</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>34,299</u></u>	\$ <u><u>265,274</u></u>

Cash and cash equivalents are comprised of the following:

Cash	\$ 18,329	\$ 155,706
Concordia University account	<u>15,970</u>	<u>109,568</u>
	\$ <u><u>34,299</u></u>	\$ <u><u>265,274</u></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, 2023

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, 2023

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 Millenium account. Financial liabilities measured at amortized cost include accounts payable and accrued charges.

3. CAPITAL ASSETS

			<u>2 0 2 3</u>	<u>2 0 2 2</u>
	<u>Cost</u>	Accumulated <u>Amorti- zation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 103,909	\$ 75,541	\$ 28,368	\$ 31,894
Computer equipment and hardware	127,253	94,592	32,661	40,826
Leased computer equipment	<u>38,529</u>	<u>29,063</u>	<u>9,466</u>	<u>11,832</u>
	<u>\$ 269,691</u>	<u>\$ 199,196</u>	<u>\$ 70,495</u>	<u>\$ 84,552</u>

4. LINE OF CREDIT

The organization has an authorized line of credit of \$5,000 bearing interest at the rate of 15.20%.

5. TRANSFER TO THE BREACH

Effective June 9, 2022, the organization was no longer fiduciary for The Breach. On this date, The Breach set up its own legal structure and took over the accounting for its operations.

The assets and liabilities belonging to the Breach which were previously included in the accounts of the organization were transferred to The Breach.

COMMUNITY UNIVERSITY TELEVISION -
CONCORDIA (CUTV)
NOTES TO THE FINANCIAL STATEMENTS
as at April 30, 2023

6. COMMITMENTS

The organization has funding commitments under the Grassroots Journalism Fund for the amount of \$2,450 as of April 30, 2023.

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, 2023

SCHEDULE A

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

REVENUES

Wage subsidy - Local Journalism Initiative	\$ <u>56,296</u>
	<u>56,296</u>

EXPENSES

Salaries and fringe benefits	56,296
Equipment	<u>-</u>
	<u>56,296</u>

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