

**Radio Queen's University**  
**Financial Statements**  
*April 30, 2022*

# Radio Queen's University Contents

*For the year ended April 30, 2022*

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To the Members of Radio Queen's University:

## Qualified Opinion

We have audited the financial statements of Radio Queen's University (the "Organization"), which comprise the statement of financial position as at April 30, 2022, and the statements of operations and 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenditures, assets and changes in net assets.

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 Organization 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 qualified 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Kingston, Ontario  
September 21, 2022

*MNP LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**Radio Queen's University**  
**Statement of Financial Position**  
*As at April 30, 2022*

	<b>2022</b>	<b>2021</b>
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<b>Assets</b>		
<b>Current</b>		
Cash (Note 3)	311,180	276,619
Accounts receivable	4,102	8,592
Prepaid expenses and deposits	15,861	-
	<hr/>	<hr/>
	<b>331,143</b>	<b>285,211</b>
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<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	26,545	16,659
Deferred contributions (Note 4)	66,487	-
	<hr/>	<hr/>
	<b>93,032</b>	<b>16,659</b>
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<b>Net Assets</b>		
Unrestricted	238,111	268,552
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	<b>331,143</b>	<b>285,211</b>

Approved on behalf of the Board

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Director

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Director

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

**Radio Queen's University**  
**Statement of Operations and Changes in Net Assets**  
*For the year ended April 30, 2022*

	<b>2022</b>	<b>2021</b>
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<b>Revenue</b>		
Student fees	154,586	137,297
Grant revenue	61,043	104,006
Donations	26,222	25,065
Other revenue	7,847	14,206
Memberships	334	770
Interest	118	103
	<hr/>	<hr/>
	<b>250,150</b>	<b>281,447</b>
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<b>Expenses</b>		
Advertising	2,925	2,733
Bank charges and interest	654	365
Broadcast equipment and supplies	12,662	35,757
Conferences	1,469	93
Equipment lease	7,391	7,835
Events	3,851	21,913
Honoraria and volunteer appreciation	1,186	2,489
Insurance	8,450	9,008
Membership fees	1,786	2,248
Office supplies and expenses	9,407	2,002
Professional fees	15,671	14,654
Repairs and maintenance	41,814	12,768
Salaries and benefits	162,770	129,482
Licences and fees	5,886	5,766
Telephone	4,669	10,486
	<hr/>	<hr/>
	<b>280,591</b>	<b>257,599</b>
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<b>Excess (deficiency) of revenue over expenses</b>	<b>(30,441)</b>	<b>23,848</b>
<b>Net assets, beginning of year</b>	<b>268,552</b>	<b>244,704</b>
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<b>Net assets, end of year</b>	<b>238,111</b>	<b>268,552</b>
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*The accompanying notes are an integral part of these financial statements*

**Radio Queen's University**  
**Statement of Cash Flows**  
*For the year ended April 30, 2022*

	2022	2021
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<b>Cash provided by the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(30,441)	23,848
Changes in working capital accounts		
Accounts receivable	4,490	(624)
Prepaid expenses and deposits	(15,861)	1,860
Accounts payable and accruals	9,886	8,843
Deferred contributions	66,487	(9,632)
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<b>Increase in cash resources</b>	<b>34,561</b>	<b>24,295</b>
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<b>Cash resources, beginning of year</b>	<b>276,619</b>	<b>252,324</b>
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<b>Cash resources, end of year</b>	<b>311,180</b>	<b>276,619</b>
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*The accompanying notes are an integral part of these financial statements*

**1. Incorporation and nature of the organization**

Radio Queen's University (the "Organization") was incorporated without share capital under the authority of the Ontario Not-for-Profit Corporations Act and thus is exempt from income taxes under section 149(1)(l) of the Canadian Income Tax Act.

The Organization's purpose is to provide innovative and alternative radio programming that enriches and challenges the academic and cultural life of Queen's University and Kingston communities, and to provide members with the opportunity to participate and gain skills and experience in the collective operation of a radio station whose programming and practices are not constrained by demands for profit.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

***Cash and cash equivalents***

Cash and cash equivalents includes cash on hand and cash in bank.

***Capital assets***

Capital assets are expensed on acquisition. Capital assets held and not recorded in the statement of financial position includes a security system, office and broadcast equipment. During the year, the Organization purchased broadcasting equipment for \$9,135 (2021 - \$29,118), office equipment for \$41,196 and a security system for \$7,618. These purchases were expensed when acquired and were reported in broadcasting equipment and supplies, repairs and maintenance and office supplies and expenses respectively in the statement of operations.

***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 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.

Revenue from student fees, memberships and other revenue is recognized when performance has been achieved, provided at the time of performance ultimate collection is reasonably assured.

***Contributed materials and services***

Contributions of materials and services are not recognized in the financial statements because of the difficulty in determining their fair value.

***Measurement uncertainty (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 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.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Estimates have been made by management within these financial statements primarily in relation to accounts receivable, accounts payable and accruals, and deferred revenue.

**3. Cash**

The Organization's bank accounts are held at one chartered bank and earn nominal interest.



**Radio Queen's University**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2022*

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**4. Deferred contributions**

Deferred contributions consist of unspent contributions externally restricted for specific expenditures. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	<b>2022</b>	2021
Balance, beginning of year	-	9,362
Amount received during the year	<b>111,150</b>	-
Less: Amount recognized as revenue during the year	<b>(44,663)</b>	(9,362)
Balance, end of year	<b>66,487</b>	-

**5. Commitments**

The Organization leases equipment with estimated minimum annual payments as follows:

2023	7,593
2024	7,821
2025	8,056
2026	8,297
2027	8,546
	<b>40,313</b>

**6. Financial instruments**

Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.

Financial instruments consist of cash, accounts receivable, and accounts payable and accruals.

The Organization initially recognized its financial instruments at fair value and subsequently measure them at amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year and the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

**7. Contingencies**

The Organization has been named as defendant in a lawsuit. These lawsuits remain at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or to estimate the loss, if any, which may result. The Organization's insurers have been advised of these claims and are cooperating with the Organization in the defence of these lawsuits subject to policy deductibles, limits, and terms and conditions.

**8. Significant event**

Ongoing at year-end, there is a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.