

PRINCE EDWARD COUNTY RADIO CORPORATION
FINANCIAL STATEMENTS
AS AT AUGUST 31, 2024

PRINCE EDWARD COUNTY RADIO CORPORATION
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AS AT AUGUST 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Prince Edward County Radio Corporation

Report on the Audit of the Financial Statements Qualified Opinion

We have audited the financial statements of Prince Edward County Radio Corporation (the Corporation), which comprise the statement of financial position as at August 31, 2024, and the statements of net assets, operations 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 Corporation as at August 31, 2024, and its results of 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 Corporation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we were not able to determine whether, as at and for the years ended August 31, 2024 and August 31, 2023, any adjustments might be necessary to donations revenue, excess of revenues over expenditures and 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 Corporation 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 these financial statements, management is responsible for assessing the Corporation'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 Corporation, or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT
(CONT'D)

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 Corporation'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 Corporation'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 Corporation 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.

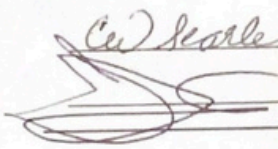
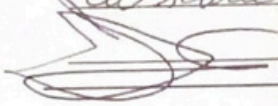
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



BELLEVILLE, Canada
December 19, 2024

Chartered Professional Accountants
Licensed Public Accountants

**PRINCE EDWARD COUNTY RADIO CORPORATION
STATEMENT OF FINANCIAL POSITION AS AT AUGUST 31, 2024**

	2024	2023
	\$	\$
ASSETS		
CURRENT		
Cash	145,061	255,911
Short-term investments - Note 3	159,194	140,669
Accounts receivable	125,735	106,614
Inventory	2,112	2,281
Due from The Community Foundation	171	1,412
Prepaid expenses and deposits	8,055	9,823
	<hr/>	
	440,328	516,710
TANGIBLE CAPITAL ASSETS - at cost		
less accumulated amortization - Note 4	126,101	149,512
INTANGIBLE ASSETS - at cost		
less accumulated amortization - Note 5	671	1,934
	<hr/>	
	567,100	668,156
	<hr/>	
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	49,695	45,729
Government remittances payable	31,963	67,401
Deferred revenue - Note 6	47,303	58,369
	<hr/>	
	128,961	171,499
LONG-TERM		
Canada Emergency Business Account (CEBA) loan payable - Note 7		39,434
DEFERRED CAPITAL CONTRIBUTIONS - Note 8	52,064	59,637
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	181,025	270,570
NET ASSETS		
NET ASSETS	386,075	397,586
COMMITMENTS - Note 9		
APPROVED ON BEHALF OF THE BOARD		
 _____	Director	
 _____	Director	1/17/2025
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	567,100	668,156
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The accompanying notes form an integral part of these financial statements



PRINCE EDWARD COUNTY RADIO CORPORATION
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2024

	Operating Reserve Fund \$	Capital Reserve Fund \$	Unrestricted \$	2024 \$	2023 \$
NET ASSETS - BEGINNING OF YEAR	102,990	37,679	256,917	397,586	446,868
EXCESS OF EXPENDITURES OVER REVENUE PURCHASE OF TANGIBLE CAPITAL ASSETS		(207)	207		
ALLOCATION OF INVESTMENT INCOME	3,73	1,869	(5,608)		
	9	1,662	(16,912)	(11,511)	(49,282)
NET ASSETS - END OF YEAR	106,729	39,341	240,005	386,075	397,586

PRINCE EDWARD COUNTY RADIO CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2024

	2024	2023
	\$	\$
REVENUE		
Advertising		
Donations	291,626	312,027
Grants	87,272	80,495
Fundraising and membership revenue	81,739	50,208
	<u>11,151</u>	<u>17,355</u>
	471,788	460,085
COST OF SALES		
Advertising and commission		
Donation expenses	88,565	98,083
Grants expenses	6,982	13,289
Fundraising expenses	3,709	6,087
	<u>9,540</u>	<u>11,595</u>
	108,796	129,054
	362,992	331,031
GROSS PROFIT		
OTHER INCOME		
Government assistance - Note 7	20,000	107
Interest	7,951	6,093
Amortization of deferred capital contributions	8,384	8,081
Loss on disposal of tangible capital assets		(12,042)
	<u>36,335</u>	<u>2,239</u>
	399,327	333,270
EXPENDITURES		
Operating expenses - Schedule 1		
Overhead expenses - Schedule 2	56,242	56,991
Wages and salaries	80,579	78,383
Production labour expenses	243,942	236,730
	<u>30,075</u>	<u>10,448</u>
	410,838	382,552
EXCESS OF EXPENDITURES OVER REVENUE FOR YEAR	(11,511)	(49,282)

The accompanying notes form an integral part of these financial statements

PRINCE EDWARD COUNTY RADIO CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2024

	2024 \$	2023 \$
OPERATING ACTIVITIES		
Excess of expenditures over revenue for year	(11,511)	(49,282)
Adjustment for items which do not affect cash -		
Amortization of deferred capital contributions	(8,384)	(8,081)
Amortization of intangible assets	1,263	1,263
Amortization of tangible capital assets	28,833	27,178
Loss on disposal of tangible capital assets		12,042
Re-invested investment income	(5,605)	(4,485)
Discount on zero-interest loan		(107)
Accrued interest on CEBA loan	566	2,291
	5,162	(19,181)
Net change in non-cash working capital balances related to operations - Note10	(58,481)	50,934
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(53,319)	31,753
INVESTING ACTIVITIES		
Capital spending utilized - Note8		3,691
Purchase of tangible capital assets	811	(22,863)
Purchase of short-term investments	(5,422)	
Withdrawal of funds from short-term investments	(12,920)	13,816
CASH FLOWS USED IN INVESTING ACTIVITIES	(17,531)	(5,356)
FINANCING ACTIVITIES		
Repayment of CEBA loan	(40,000)	NIL
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR		
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	(110,850)	26,397
CASH AND CASH EQUIVALENTS - END OF YEAR	255,911	229,514
REPRESENTED BY:	145,061	255,911
Cash	145,061	255,911

The accompanying notes form an integral part of these financial statements

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

1. NATURE OF OPERATIONS

Prince Edward County Radio Corporation is a not-for-profit organization dedicated to the development and operation of a radio broadcasting station in Prince Edward County. The Corporation is incorporated under the Canada Not-for-profit Corporations Act without share capital and is exempt from taxation under Section 149 of the Income Tax Act.

The application to the Canadian Radio-television and Telecommunications Commission (CRTC) for a license to operate an over-the-air broadcasting station in Prince Edward County was approved on January 21, 2014.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Corporation that are considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Accounting 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. Significant items subject to such estimates and assumptions include valuation of accounts receivable, and the estimated useful life of tangible capital assets and intangible assets. Actual results could differ from those estimates.

(c) Short-Term Investments

Short-term investments are classified as fair value through profit and loss and are initially recorded at their acquisition cost on the date of trade. Short-term investments are subsequently adjusted to fair value as at the date of the balance sheet and the corresponding changes in unrealized gains and losses are recorded in income.

(d) Inventories

Inventories are valued at the lower of cost and net realizable value. When the cost of inventories exceed the net realizable value, the cost of inventories will be written down to net realizable value. Any such write-down will be included in cost of goods sold for the year of write-down. If circumstances or events lead to a subsequent increase in the net realizable value of the inventory that was written down, the amount of the write-down will be reversed and recorded in cost of goods sold in the year of the reversal.

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

2. ACCOUNTING POLICIES(Cont'd)

(e) Tangible Capital Assets and Amortization

Tangible capital assets are stated at acquisition cost. Gains or losses on the disposal of individual assets are recognized in the statement of operations in the year of disposal. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:

Asset	Basis	Rate
Computer equipment	Straight-line	Over 5 years
Leasehold improvements	Straight-line	Over 5 years
Transmission equipment	Straight-line	Over 15 years
Studio equipment	Straight-line	Over 15 years
Intangible Assets	Straight-line	Over 15 years
Intangible assets are stated at acquisition cost. Gains or losses on the disposal of individual assets are recognized in the statement of operations in the year of disposal. Amortization of definite-lived intangible assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:	Straight-line	Over 15 years
	Straight-line	Over 10 years

(f)

Asset	Basis	Rate
Engineering and licensing costs	Straight-line	Over 10 years
Incorporation costs	Straight-line	Over 10 years

(g) Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incident to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

(h) Deferral Method

The Corporation uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period 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.

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

2. ACCOUNTING POLICIES (Cont'd)

(i) Revenue Recognition

Advertising revenue is recognized once the advertisement is broadcast. Advertising earned at the end of the year not yet received is a receivable until collected in a subsequent period. Provision is made for expected discounts and collection losses based on the Corporation's past experience. Advertising funds received for broadcasts in a subsequent period are deferred.

Donations and fundraising and grant revenue are recorded as revenue in the period to which they relate. Grants earned but not received at year end are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Amortization of deferred capital contributions revenue is recognized in the period to which it relates, on a basis similar to the amortization of the related tangible capital asset.

Membership revenue is recorded as revenue in the period to which it relates. Membership revenue received in advance of the fiscal year to which it relates is recorded as deferred revenue.

Merchandise revenue is recognized at the time goods are shipped to customers. Provision is made for expected returns and collection losses based on the Corporation's past experience.

(j) Financial Instruments

(i) Measurement of Financial Instruments

The Corporation initially measures its financial assets and liabilities at fair value. The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, with the exception of short-term investments, which are measured in accordance with Note 2(c) to these financial statements.

Financial assets measured at amortized cost include cash, accounts receivable and due from The Community Foundation.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

(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 recorded in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the impairment amount previously recognized.

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

2. ACCOUNTING POLICIES(Cont'd)

(k) Contributed Services and Materials

Directors, committee members and community members volunteer their time to assist in the Corporation's activities. While these services benefit the Corporation considerably, a reasonable estimate of their amount and fair value cannot be made, and accordingly, these contributed services are not recognized in the financial statements. During the 2024 fiscal year end a total of 102 (2023 - 100) volunteers contributed 22,485 (2023 - 21,999) hours of volunteer work.

Contributions of materials are recorded only when such materials have a fair value that can be reasonably estimated and when those materials would have otherwise been purchased in the support of normal operating activities of the Corporation.

3. SHORT-TERM INVESTMENTS

The cost and market values of short-term investments are as follows:

	2024		2023	
	Cost Amount \$	Market Value \$	Cost Amount \$	Market Value \$
Cash			76,887	76,887
Money Market Fund	159,19	159,19	63,782	63,782
	4	4	140,669	140,669
	159,19	159,19		
	4	4		

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

4. TANGIBLE CAPITAL ASSETS

	2024		2023	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer equipment	15,041	7,839	9,826	5,352
Leasehold improvements	84,894	43,435	84,894	37,775
Radio transmission equipment	154,392	100,706	154,185	90,420
Studio equipment	103,996	80,242	103,996	69,842
	<u>358,323</u>	<u>232,222</u>	<u>352,901</u>	<u>203,389</u>
Cost less accumulated amortization	\$ 126,101		\$ 149,512	

During the year, tangible capital assets were acquired at an aggregate cost of \$5,422 (2023 - \$22,863). In the year, tangible capital assets were disposed of for proceeds of \$Nil (2023 - \$Nil) and a realized loss of \$Nil (2023 - \$12,042).

5. INTANGIBLE ASSETS

	2024		2023	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Engineering and licensing costs	11,700	11,580	11,700	10,317
Incorporation costs	926	375	926	375
	<u>12,626</u>	<u>11,955</u>	<u>12,626</u>	<u>10,692</u>
Cost less accumulated amortization	\$ 671		\$ 1,934	

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

6. DEFERRED REVENUE

Deferred revenue is comprised of certain advertising, memberships and other sources of revenue collected which relate to future years' operations.

Grants and other funding received with restrictions imposed by third parties are recognized as revenue when those funds are spent in accordance with the stated restrictions.

Deferred revenue consists of the following:

	2024	2023
	\$	\$
Advertising	13,479	14,662
Memberships	9	30
Ministry of Employment and Social Development		
- New Horizons for Seniors	451	21,374
- Lives and Times of PEC	15,941	
Community Radio Fund of Canada	17,423	
- RadioMetrics		
- Local Journalism Initiative		18,803
Municipal Community Grant		3,500
	47,303	58,369

7. LONG-TERM DEBT

The loan payable consists of a \$Nil (2023 - \$40,000) loan under the Canada Emergency Business ~~Abolition (CEBA) program~~ non-interest bearing with no repayment requirements until January 18, 2024. Up to \$20,000 is forgivable if certain conditions are met, including repayment of \$40,000 on or before January 18, 2024. Amounts owing after January 18, 2024 are converted into a 3-year term loan, repayable in monthly instalments, bearing interest at 5% per annum.

In accordance with the accounting policies described in Note 2(j)(i) to these financial statements, the loan was initially recognized at its fair value, estimated by using the present value of all future cash payments using a rate of interest available for similar instruments. The carrying value of the loan represents the fair value at acquisition plus interest accrued at the effective rate.

The loan was paid in full in December 2023 meeting the requirements for forgiveness of the \$20,000, which has been included in government assistance.

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of grants received and spent for the purchase of tangible capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. The change in the deferred capital contributions balance are as follows:

	2024		2023	
	Cumulative Capital Spending \$	Cumulative Amortization \$	Cumulative Capital Spending \$	Cumulative Amortization \$
Ontario Trillium Foundation	20,000	14,523	20,000	13,203
Minister of Employment and Social Development				
- New Horizons	9,438	7,079	9,43	6,135
- The Heights Project	1,508	679	8	528
- New Horizons - Fraud	1,584	237	1,50	79
- Lives and Times of PEC	811	81	8	
John M. & Bernice Parrott Foundation			1,58	
- Digital control board	24,590	15,983	24,59	13,524
- Sound and whisper booth	30,000	5,000	0	3,000
National Campus and Community Radio Association			30,00	
- Accessibility Grant	6,819	3,069	6,819	2,387
Community Radio Fund of Canada				
- Emergency Preparedness Grant	1,200	360	1,200	280
- Homelessness Project	2,106	429	2,106	143
Municipal COVID-19 Recovery Grant	1,150	403	1,150	288
PEC Adaption Fund Grant	1,079	378	1,079	270
	100,285	48,221	99,474	39,837
Cumulative capital spending less cumulative amortization	\$ 52,064		\$ 59,637	

During the year, capital spending related to grants received amounted to \$811 (2023 - \$3,691).

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

9. COMMITMENTS

The Corporation has entered into agreements to lease certain premises. These operating leases expire at various dates between August, 2025 and August, 2028. The annual minimum rental payments required under these leases for the next four years are as follows:

	\$
2025	34,809
2026	21,589
2027	21,589
2028	21,589
<hr/>	<hr/>
2025-2028	99,576
<hr/>	<hr/>
2028	

10. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in), as determined in the change year-over-year, in non-cash working capital is compiled as follows:

	2024	2023
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	(19,121)	(14,060)
Inventories	169	(844)
Due from The Community Foundation	1,241	(910)
Prepaid expenses and deposits	1,768	(4,800)
	<hr/>	<hr/>
	(15,943)	(20,614)
<hr/>		
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,966	7,106
Government remittances payable	(35,438)	27,834
Deferred revenue	8)	36,608
	<hr/>	<hr/>
	(11,066)	71,548
<hr/>		
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(42,538)	50,934
	<hr/>	<hr/>

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

11. RELATED PARTY TRANSACTIONS

Directors and key management personnel are related parties of the Corporation due to their authority for planning, directing and controlling activities of the Corporation.

During the year, the Corporation received revenue from certain board directors and key management personnel as follows:

	2024	2023
	\$	\$
Advertising	1,046	1,420
Donations	11,050	4,795
Memberships	150	70
	<hr/>	<hr/>
	12,246	6,285

As at August 31, 2024, there were accounts receivable of \$Nil (2023 - \$565) included in accounts receivable and \$634 (2023 - \$1,626) in deferred revenue on the statement of financial position.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. NON-MONETARY TRANSACTIONS

During the year, the Corporation entered into non-monetary transactions with various organizations whereby it provides broadcast advertising in exchange for print advertising, rent, and various office expenditures. These transactions were recorded at fair value resulting in an amount of \$27,092 (2023 - \$14,549).

13. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Corporation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. These risks are as follows:

(a) Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

It is the opinion of management that there is no exposure to significant interest rate risk.

PRINCE EDWARD COUNTY RADIO CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

13. FINANCIAL RISKS AND CONCENTRATION OF RISK (Cont'd)

(b) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet all cash outflow obligations as they come due. The Corporation manages its liquidity risk by monitoring its operating cash flow requirements to ensure financial resources are available.

(c) Credit Risk

Credit risk is the risk of financial loss to the Corporation if a counterparty fails to discharge an obligation. The Corporation is exposed to credit risk in the event of non-performance by clients in connection with its accounts and other receivables. The Corporation manages its credit risk by performing regular evaluations of its receivables, aggressively pursuing delinquent accounts and maintaining provisions for estimated uncollectible accounts.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

SCHEDULE 1

PRINCE EDWARD COUNTY RADIO CORPORATION
 SCHEDULE OF OPERATING EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2024

	2024	2023
	\$	\$
Bad debts	1,012	
Bank charges and interest	5,454	8,260
Interest on long-term debt - Note 7	566	2,291
Insurance	3,825	3,586
License fees	14,285	13,285
Office expenses	8,565	6,143
Professional fees	19,557	18,707
Studio consumables	2,978	4,719
	<hr/>	<hr/>
	56,242	56,991
	<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements

PRINCE EDWARD COUNTY RADIO CORPORATION
SCHEDULE OF OVERHEAD EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2024

	2024	2023
	\$	\$
Amortization of intangible assets	1,263	1,263
Amortization of tangible capital assets	28,833	27,178
Rent	38,041	35,704
Repairs and maintenance	1,381	4,008
Telephone	3,157	2,910
Utilities	7,904	7,320
	80,579	78,383
	80,579	78,383

The accompanying notes form an integral part of these financial statements