

**PRINCE EDWARD COUNTY RADIO CORPORATION**  
**FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 2025**

**PRINCE EDWARD COUNTY RADIO CORPORATION**  
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**AS AT AUGUST 31, 2025**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of 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, 2025, 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, 2025, 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, 2025 and August 31, 2024, 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.

*Wilkinson & Company LLP*

BELLEVILLE, Canada  
December 18, 2025



Chartered Professional Accountants  
Licensed Public Accountants

**WILKINSON & COMPANY LLP - CHARTERED PROFESSIONAL ACCOUNTANTS**

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**PRINCE EDWARD COUNTY RADIO CORPORATION**  
**STATEMENT OF FINANCIAL POSITION AS AT AUGUST 31, 2025**

	2025 \$	2024 \$ (Restated - Note 2)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	74,044	145,061
Short-term investments - Note 4	164,037	159,194
Accounts receivable	70,552	109,736
Inventory	1,827	2,112
Due from The Community Foundation		171
Due from The Veritas Foundation	45,265	
Prepaid expenses and deposits	6,983	8,055
	<b>362,708</b>	<b>424,329</b>
<b>TANGIBLE CAPITAL ASSETS - at cost</b>		
less accumulated amortization - Note 5	97,504	126,101
<b>INTANGIBLE ASSETS - at cost</b>		
less accumulated amortization - Note 6		671
	<b>460,212</b>	<b>551,101</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	50,713	96,562
Government remittances payable	23,164	31,963
Deferred revenue - Note 7	44,779	47,303
	<b>118,656</b>	<b>175,828</b>
<b>DEFERRED CAPITAL CONTRIBUTIONS - Note 8</b>	<b>44,090</b>	<b>52,064</b>
	<b>162,746</b>	<b>227,892</b>
<b>NET ASSETS</b>		
<b>NET ASSETS</b>	<b>297,466</b>	<b>323,209</b>
<b>COMMITMENTS - Note 9</b>		
<b>APPROVED ON BEHALF OF THE BOARD</b>		
	Director	
	Director	
	<b>460,212</b>	<b>551,101</b>

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, 2025**

	Operating Reserve Fund \$	Capital Reserve Fund \$	Unrestricted \$	2025 \$	2024 \$ (Restated - Note 2)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>106,729</b>	<b>39,341</b>	<b>177,139</b>	<b>323,209</b>	<b>367,903</b>
<b>EXCESS OF EXPENDITURES OVER REVENUE</b>			<b>(25,743)</b>	<b>(25,743)</b>	<b>(44,694)</b>
<b>PURCHASE OF TANGIBLE CAPITAL ASSETS</b>		<b>(820)</b>	<b>820</b>		
<b>ALLOCATION OF INVESTMENT INCOME</b>	<b>3,895</b>	<b>1,948</b>	<b>(5,843)</b>		
	<b>3,895</b>	<b>1,128</b>	<b>(30,766)</b>	<b>(25,743)</b>	<b>(44,694)</b>
<b>NET ASSETS - END OF YEAR</b>	<b>110,624</b>	<b>40,469</b>	<b>146,373</b>	<b>297,466</b>	<b>323,209</b>

The accompanying notes form an integral part of these financial statements

**PRINCE EDWARD COUNTY RADIO CORPORATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

	2025 \$	2024 \$ (Restated - Note 2)
<b>REVENUE</b>		
Advertising	288,101	291,626
Donations	89,976	87,272
Grants	74,289	81,739
Fundraising and membership revenue	27,201	11,151
	<u>479,567</u>	<u>471,788</u>
<b>COST OF SALES</b>		
Advertising and commission	85,876	105,372
Donation expenses	3,917	6,982
Grants expenses	17,105	3,709
Fundraising expenses	11,228	9,540
	<u>118,126</u>	<u>125,603</u>
<b>GROSS PROFIT</b>	<u>361,441</u>	<u>346,185</u>
<b>OTHER INCOME</b>		
Government assistance		20,000
Interest	25,858	7,951
Amortization of deferred capital contributions	8,491	8,384
	<u>34,349</u>	<u>36,335</u>
	<u>395,790</u>	<u>382,520</u>
<b>EXPENDITURES</b>		
Operating expenses - Schedule 1	58,416	72,618
Overhead expenses - Schedule 2	76,992	80,579
Wages and salaries	250,120	243,942
Production labour expenses	36,005	30,075
	<u>421,533</u>	<u>427,214</u>
<b>EXCESS OF EXPENDITURES OVER REVENUE FOR YEAR</b>	<u>(25,743)</u>	<u>(44,694)</u>

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, 2025**

	2025 \$	2024 \$ (Restated - Note 2)
<b>OPERATING ACTIVITIES</b>		
Excess of expenditures over revenue for year	(25,743)	(44,694)
Adjustment for items which do not affect cash -		
Amortization of deferred capital contributions	(8,491)	(8,384)
Amortization of intangible assets	671	1,263
Amortization of tangible capital assets	29,417	28,833
Re-invested investment income	(4,843)	(5,605)
Accrued interest on CEBA loan		566
	(8,989)	(28,021)
Net change in non-cash working capital balances related to operations - Note 10	(61,725)	(25,298)
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>	(70,714)	(53,319)
<b>INVESTING ACTIVITIES</b>		
Capital spending utilized - Note 8	517	811
Purchase of tangible capital assets	(820)	(5,422)
Purchase of short-term investments		(12,920)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	(303)	(17,531)
<b>FINANCING ACTIVITIES</b>		
Repayment of CEBA loan	NIL	(40,000)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS FOR YEAR</b>	(71,017)	(110,850)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	145,061	255,911
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	74,044	145,061
<b>REPRESENTED BY:</b>		
Cash	74,044	145,061

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, 2025**

**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. RESTATEMENT OF PRIOR PERIOD**

During the year, it was noted that the accounts receivable, accounts payable and related expenses for the fiscal year ended August 31, 2024 were incorrectly reported due to reconciliation error between the operating system and the financial records. In addition, the commission accrual was incorrectly calculated due to the change in the above, resulting in the commission accrual being understated.

As a result of these prior period misstatements, the financial statements for the fiscal year ending August 31, 2024 have been restated as follows:

	2024 Previously Reported \$	2024 Revision \$	2024 Restated \$
<b>Statement of Financial Position</b>			
Accounts receivable	125,735	(15,999)	109,736
Accounts payable and accrued liabilities	(49,695)	(46,867)	(96,562)
<b>Statement of Net Assets</b>			
Net Assets - Beginning of year	397,586	(29,683)	367,903
Excess of expenditures over revenue	(11,511)	(33,183)	(44,694)
<b>Statement of Operations</b>			
Cost of Sales - Advertising and commission	(88,565)	(16,807)	(105,372)
Operating expenses - Schedule 1	(56,242)	(16,376)	(72,618)
<b>Schedule of Operating Expenses</b>			
Bad debts	(1,012)	(16,376)	(17,386)

**PRINCE EDWARD COUNTY RADIO CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**3. 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, 2025**

**3. 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:

<b>Asset</b>	<b>Basis</b>	<b>Rate</b>
Computer equipment	Straight-line	Over 5 years
Leasehold improvements	Straight-line	Over 15 years
Radio transmission equipment	Straight-line	Over 15 years
Studio equipment	Straight-line	Over 10 years

**(f) Intangible Assets**

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 intangible assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:

<b>Asset</b>	<b>Basis</b>	<b>Rate</b>
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, 2025**

**3. ACCOUNTING POLICIES (Cont'd)**

**(i) Revenue Recognition**

Advertising revenue is recognized at the time the advertisement is broadcast. Advertising revenue earned at the end of the year not yet received is recognized as 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.

Donation revenue is recorded as revenue in the period to which it relates.

Grant revenue is recorded as revenue in the period to which it relates. 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.

Fundraising and 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.

Interest revenue is recorded as revenue in the period to which it relates.

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.

**(j) Financial Instruments**

**(i) Measurement of Financial Instruments**

The Corporation initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

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 3(c) to these financial statements.

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

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



**PRINCE EDWARD COUNTY RADIO CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**3. ACCOUNTING POLICIES (Cont'd)**

**(j) Financial Instruments (Cont'd)**

**(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.

**(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 107 volunteers (2024 - 102) contributed 23,300 hours (2024 - 22,485) 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.

**(l) Cloud Computing Arrangements**

Payments for cloud computing arrangements are accounted for using the simplification approach under Accounting Guideline AcG-20 and recognized as an expense as services are received.

**4. SHORT-TERM INVESTMENTS**

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

	<b>2025</b>		<b>2024</b>	
	<b>Cost Amount</b>	<b>Market Value</b>	<b>Cost Amount</b>	<b>Market Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Guaranteed Investment Certificate	<b>54,810</b>	<b>56,034</b>		
Money Market Fund	<b>108,003</b>	<b>108,003</b>	159,194	159,194
	<b>162,813</b>	<b>164,037</b>	159,194	159,194

The effective interest rate ranges from 3.65% to 3.97% (2024 - Nil%).

**PRINCE EDWARD COUNTY RADIO CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

**5. TANGIBLE CAPITAL ASSETS**

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Computer equipment	15,343	10,877	15,041	7,839
Leasehold improvements	84,894	49,095	84,894	43,435
Radio transmission equipment	154,392	110,999	154,392	100,706
Studio equipment	104,514	90,668	103,996	80,242
	<b>359,143</b>	<b>261,639</b>	<b>358,323</b>	<b>232,222</b>
Cost less accumulated amortization	<b>\$ 97,504</b>		<b>\$ 126,101</b>	

During the year, tangible capital assets were acquired at an aggregate cost of \$820 (2024 - \$5,422).

**6. INTANGIBLE ASSETS**

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Engineering and licensing costs	11,700	11,700	11,700	11,580
Incorporation costs	926	926	926	375
	<b>12,626</b>	<b>12,626</b>	<b>12,626</b>	<b>11,955</b>
Cost less accumulated amortization	<b>\$ NIL</b>		<b>\$ 671</b>	

**PRINCE EDWARD COUNTY RADIO CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**7. 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:

	2025 \$	2024 \$
Advertising	1,732	13,479
Memberships	20	9
Ministry of Employment and Social Development		
- Lives and Times of PEC	1,220	15,941
- New Horizons for Seniors and Technology	19,724	
- New Horizons for Seniors		451
Community Radio Fund of Canada		
- RadioMetres Skills Development Grant	18,083	
- RadioMetrics		17,423
Municipal Community Grant	4,000	
	<hr/> 44,779	<hr/> 47,303

**PRINCE EDWARD COUNTY RADIO CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

**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:

	2025		2024	
	Cumulative Capital Spending \$	Cumulative Amortization \$	Cumulative Capital Spending \$	Cumulative Amortization \$
Ontario Trillium Foundation	20,000	15,843	20,000	14,523
Minister of Employment and Social Development				
- New Horizons	9,438	8,023	9,438	7,079
- The Heights Project	1,508	830	1,508	679
- New Horizons - Fraud	1,584	395	1,584	237
- Lives and Times of PEC	811	243	811	81
John M. & Bernice Parrott Foundation				
- Digital control board	24,590	18,442	24,590	15,983
- Sound and whisper booth	30,000	7,000	30,000	5,000
National Campus and Community Radio Association				
- Accessibility Grant	6,819	3,751	6,819	3,069
Community Radio Fund of Canada				
- Emergency Preparedness Grant	1,200	726	1,200	360
- Homelessness Project	2,106	429	2,106	429
- RadioMetres Skills Development	518	26		
Municipal COVID-19 Recovery Grant	1,150	518	1,150	403
PEC Adaption Fund Grant	1,079	487	1,079	378
	<b>100,803</b>	<b>56,713</b>	<b>100,285</b>	<b>48,221</b>
Cumulative capital spending less cumulative amortization	<b>\$ 44,090</b>		<b>\$ 52,064</b>	

During the year, capital spending related to grants received amounted to \$517 (2024 - \$811).



**PRINCE EDWARD COUNTY RADIO CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

**9. COMMITMENTS**

The Corporation has entered into agreements to lease certain premises. These operating leases expire at various dates between August, 2028 and August, 2029. The annual minimum rental payments required under these leases for the next four (4) years are as follows:

	\$
2026	36,481
2027	36,928
2028	37,388
2029	37,862
	<hr/> 148,659 <hr/>

**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:

	2025 \$	2024 \$
<b>(INCREASE) DECREASE IN CURRENT ASSETS</b>		
Accounts receivable	39,184	(3,122)
Inventory	285	169
Due from The Community Foundation	171	1,241
Due from the Veritas Foundation	(45,265)	
Prepaid expenses and deposits	1,072	1,768
	<hr/> (4,553) <hr/>	56
<b>INCREASE (DECREASE) IN CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	(45,849)	21,150
Government remittances payable	(8,799)	(35,438)
Deferred revenue	(2,524)	(11,066)
	<hr/> (57,172) <hr/>	(25,354)
<b>NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS</b>	<hr/> (61,725) <hr/>	(25,298)

**PRINCE EDWARD COUNTY RADIO CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

## 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 and incurred expenses from certain board directors and key management personnel as follows:

	2025	2024
	\$	\$
Advertising	565	1,046
Donations	4,205	11,050
Memberships	150	150
Expenses	(1,998)	
	<b>2,922</b>	<b>12,246</b>

As at August 31, 2025, there were accounts receivable of \$Nil (2024 - \$Nil) included in accounts receivable and \$Nil (2024 - \$634) 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 \$22,040 (2024 - \$27,092).

## 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  
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**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, 2025**

	2025	2024
	\$	\$ (Restated - Note 2)
Bad debts	5,318	17,386
Bank charges and interest	4,890	5,456
Interest on long-term debt		566
Insurance	4,025	3,825
License fees	16,163	14,285
Office expenses	6,105	8,565
Professional fees	18,190	19,557
Studio consumables	3,725	2,978
	<b>58,416</b>	<b>72,618</b>

The accompanying notes form an integral part of these financial statements



## SCHEDULE 2

**PRINCE EDWARD COUNTY RADIO CORPORATION**  
**SCHEDULE OF OVERHEAD EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

	2025	2024
	\$	\$
Amortization of intangible assets	671	1,263
Amortization of tangible capital assets	29,417	28,833
Rent	35,591	38,041
Repairs and maintenance	1,837	1,381
Telephone	2,210	3,157
Utilities	7,266	7,904
	<b>76,992</b>	<b>80,579</b>

The accompanying notes form an integral part of these financial statements