

**RADIO ADVISORY BOARD OF CANADA**

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2013 AND 2012**



**MCCAY DUFF LLP**

Chartered Accountants

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
Radio Advisory Board of Canada

Report on the Financial Statements

We have audited the accompanying financial statements of Radio Advisory Board of Canada, which comprise the statements of financial position as at October 31, 2013 and October 31, 2012, and the statements of operations, changes in members' equity and cash flows for the years ended October 31, 2013 and October 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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## **INDEPENDENT AUDITORS' REPORT**

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Radio Advisory Board of Canada as at October 31, 2013, October 31, 2012, and November 1, 2011, and the results of its operations and its cash flows for the years ended October 31, 2013 and October 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

*McCay Duff LLP*

McCay Duff LLP,  
Licensed Public Accountants.

Ottawa, Ontario,  
November 26, 2013.

**RADIO ADVISORY BOARD OF CANADA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT OCTOBER 31, 2013 AND 2012**

<b>ASSETS</b>		<u><b>2013</b></u>	<u><b>2012</b></u>
<b>CURRENT</b>			
Cash	\$	89,939	\$ 81,754
Deposit certificates		162,577	160,560
Accounts receivable		3,079	11,915
Prepaid expenses		<u>1,025</u>	<u>1,025</u>
		256,620	255,254
<b>CAPITAL</b> (note 5)		<u>5,183</u>	<u>6,284</u>
	\$	<u><u>261,803</u></u>	\$ <u><u>261,538</u></u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$	4,119	\$ 3,621
<b>MEMBERS' EQUITY</b>			
<b>EQUITY</b>			
Operating		252,501	251,633
Invested in capital assets		<u>5,183</u>	<u>6,284</u>
		<u>257,684</u>	<u>257,917</u>
	\$	<u><u>261,803</u></u>	\$ <u><u>261,538</u></u>
Commitment (note 6)			

**Approved on behalf of the Board:**

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Director

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Director

**RADIO ADVISORY BOARD OF CANADA**  
**STATEMENTS OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEARS ENDED OCTOBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>OPERATING EQUITY</b>		
Balance - beginning of year	\$ 251,633	\$ 218,659
Net revenue (expenses) for the year	( 233)	31,866
Allocation from Equity Invested in Capital Assets	<u>1,101</u>	<u>1,108</u>
	<u>868</u>	<u>32,974</u>
Balance - end of year	\$ <u><u>252,501</u></u>	\$ <u><u>251,633</u></u>
<b>EQUITY INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of year	\$ 6,284	\$ 7,392
Purchase of capital assets	682	674
Amortization	<u>(1,783)</u>	<u>(1,782)</u>
Allocation to Operating Equity	<u>(1,101)</u>	<u>(1,108)</u>
Balance - end of year	\$ <u><u>5,183</u></u>	\$ <u><u>6,284</u></u>

**RADIO ADVISORY BOARD OF CANADA**

**STATEMENTS OF OPERATIONS**

**FOR THE YEARS ENDED OCTOBER 31, 2013 AND 2012**

	<u>2013</u>		<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUE</b>			
Events	\$ 5,000	\$ -	\$ 60,589
Membership fees	76,750	76,750	76,750
Government grant	85,000	85,000	85,000
Interest and miscellaneous	<u>2,200</u>	<u>2,313</u>	<u>2,183</u>
	168,950	164,063	224,522
<b>EXPENSES</b>			
Amortization	3,000	1,783	1,782
Committees	28,000	29,914	22,659
Office	13,900	12,318	12,828
Personnel	84,500	84,500	82,500
Professional fees	4,500	4,561	3,900
Rent	21,000	19,913	19,777
Events	10,000	7,807	45,710
Scholarship	<u>4,000</u>	<u>3,500</u>	<u>3,500</u>
	<u>168,900</u>	<u>164,296</u>	<u>192,656</u>
<b>NET REVENUE (EXPENSES) FOR THE YEAR</b>	<u>\$ 50</u>	<u>\$ (233)</u>	<u>\$ 31,866</u>

**RADIO ADVISORY BOARD OF CANADA**

**STATEMENT OF CASH FLOWS**

**FOR THE YEARS ENDED OCTOBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Cash from operations		
Net revenue (expenses) for the year	\$( 233)	\$ 31,866
Item not involving cash		
- amortization	<u>1,783</u>	<u>1,782</u>
	1,550	33,648
Net change in non-cash working capital balances		
- (increase) decrease in accounts receivable	8,836	( 5,750)
- increase (decrease) in accounts payable and accrued liabilities	498	( 1,156)
- decrease in deferred revenue	<u>-</u>	<u>( 25,000)</u>
	<u>9,334</u>	<u>( 31,906)</u>
	10,884	1,742
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>( 682)</u>	<u>( 674)</u>
<b>FINANCING ACTIVITIES</b>		
Change in deposit certificates	<u>( 2,017)</u>	<u>( 1,951)</u>
<b>INCREASE IN CASH POSITION DURING THE YEAR</b>	8,185	( 883)
Cash position - beginning of year	<u>81,754</u>	<u>82,637</u>
<b>CASH POSITION - END OF YEAR</b>	<u><u>\$ 89,939</u></u>	<u><u>\$ 81,754</u></u>

# RADIO ADVISORY BOARD OF CANADA

## NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2013 AND 2012

### 1. ORGANIZATION AND ACCOUNTING FRAMEWORK

The Radio Advisory Board of Canada is a member and government funded national organization which advises the Federal Government, through Industry Canada, on matters concerning the management of the radio spectrum and the development of standards and radio regulations. The Board is an unincorporated not-for-profit organization and is exempt from income tax under the Income Tax Act.

On November 1, 2012, the Board adopted Canadian accounting standards for not-for-profit organizations ("ASNPO"). These are the first financial statements prepared in accordance with ASNPO.

In accordance with the transitional provisions in ASNPO, the Board has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is November 1, 2011, and all comparative information provided has been presented by applying ASNPO.

There were no adjustments to net assets as at November 1, 2011 or net revenue (expenses) for the year ended October 30, 2012 as a result of the transition to ASNPO. Accordingly, a statement of financial position as at November 1, 2011 has not been presented with these financial statements.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Board's significant accounting policies are as follows:

(a) Revenue Recognition

Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception of contributions to fund a specific project which are included in revenue over the period of the project, as expenses are incurred.

Revenue from events is recognized in the year during which the event is held. Membership fees are recognized as revenue in the year in which they relate.

(b) Capital Assets

Capital assets are stated at cost, net of accumulated amortization. Amortization is provided as follows:

Computer equipment	4 Years	Straight line basis
Furniture	10 Years	Straight line basis

One-half of the above rates are recorded in the year of acquisition.



# **RADIO ADVISORY BOARD OF CANADA**

## **NOTES TO FINANCIAL STATEMENTS**

**OCTOBER 31, 2013 AND 2012**

### **2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

(c) Volunteer Services

The Board receives the services of many volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

(d) 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, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue (expenses) as appropriate in the year they become known.

(e) Financial Instruments

The Board's financial instruments consist of cash, deopsit certificates, accounts receivable and accounts payable and accrued liabilities.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Board subsequently measures all of its financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue (expenses).

### **3. FINANCIAL RISKS AND CONCENTRATION OF RISKS**

It is management's opinion that the Board is not exposed to significant interest rate, liquidity, market, currency or credit risks arising from its financial instruments. There has been no change to the risk exposure from 2012.

**RADIO ADVISORY BOARD OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**OCTOBER 31, 2013 AND 2012**

**4. BUDGET INFORMATION**

The budget figures presented for comparison purposes are unaudited and are those approved by the directors. They have been reclassified to conform with the financial statement presentation.

**5. CAPITAL ASSETS**

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 45,405	\$ 43,317	\$ 2,088	\$ 2,391
Furniture	<u>7,977</u>	<u>4,882</u>	<u>3,095</u>	<u>3,893</u>
	<u>\$ 53,382</u>	<u>\$ 48,199</u>	<u>\$ 5,183</u>	<u>\$ 6,284</u>

**6. COMMITMENT**

Premises

The Board has signed a lease agreement for a three year term ending February 2016 at a minimum annual rent of \$6,663 plus HST, plus operating costs. Annual rent, including operating costs, is approximately \$20,000 plus HST.