

**RADIO ADVISORY BOARD OF CANADA**

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2008**

# McCAY, DUFF & COMPANY LLP

CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

To the Members of  
Radio Advisory Board of Canada

We have audited the balance sheet of Radio Advisory Board of Canada as at October 31, 2008 and the statements of revenue and expenditure, changes in members' equity and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

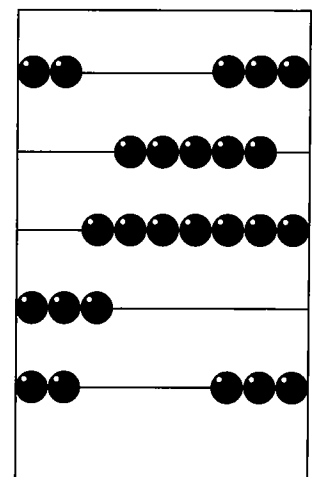
In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*McCay, Duff & Company LLP*

McCay, Duff & Company LLP,  
Licensed Public Accountants.

Ottawa, Ontario,  
November 13, 2008.

THOMAS W HOWARTH C.A.  
PROFESSIONAL CORPORATION  
A G MONSOUR C.A.  
PROFESSIONAL CORPORATION  
BLAIR EDWARD DAVIDSON C.A.  
PROFESSIONAL CORPORATION  
G W TRICKEY C.A.  
PROFESSIONAL CORPORATION  
ROBERT D SHANTZ C.A.  
PROFESSIONAL CORPORATION  
MARGARET N. EGAN C.A.  
PROFESSIONAL CORPORATION  
JASON T. HOWARTH C.A.  
PROFESSIONAL CORPORATION  
BRYAN E SULLIVAN C.A.  
PROFESSIONAL CORPORATION  
CONSULTANT



**RADIO ADVISORY BOARD OF CANADA**

**BALANCE SHEET**

**AS AT OCTOBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 85,041	\$ 116,372
Investments (note 5)	154,612	88,598
Accounts receivable	8,965	2,757
Prepaid expenses	<u>3,035</u>	<u>3,644</u>
	251,653	211,371
<b>CAPITAL (note 6)</b>	<u>9,592</u>	<u>13,685</u>
	<u>\$ 261,245</u>	<u>\$ 225,056</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 3,614	\$ 3,489
Deferred revenue	<u>47,300</u>	<u>28,750</u>
	50,914	32,239
<b>MEMBERS' EQUITY</b>		
<b>EQUITY</b>		
Operating	200,739	179,132
Invested in capital assets	<u>9,592</u>	<u>13,685</u>
	<u>210,331</u>	<u>192,817</u>
	<u>\$ 261,245</u>	<u>\$ 225,056</u>

**Approved on behalf of the Board:**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**RADIO ADVISORY BOARD OF CANADA**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED OCTOBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>OPERATING EQUITY</b>		
Balance - beginning of year	\$ 179,132	\$ 159,129
Net revenue for the year	17,514	24,149
Allocation from (to) Equity Invested in Capital Assets	<u>4,093</u>	<u>(4,146)</u>
	<u>21,607</u>	<u>20,003</u>
Balance - end of year	<u>\$ 200,739</u>	<u>\$ 179,132</u>
<b>EQUITY INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of year	\$ 13,685	\$ 9,539
Purchase of capital assets	-	8,616
Amortization	<u>(4,093)</u>	<u>(4,470)</u>
Allocation from (to) Operating Equity	<u>(4,093)</u>	<u>4,146</u>
Balance - end of year	<u>\$ 9,592</u>	<u>\$ 13,685</u>

**RADIO ADVISORY BOARD OF CANADA**  
**STATEMENT OF REVENUE AND EXPENDITURE**  
**FOR THE YEAR ENDED OCTOBER 31, 2008**

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUE</b>			
Symposia	\$ 20,000	\$ 23,185	\$ 57,663
Membership fees	77,250	77,250	75,250
Government grant	85,000	85,000	60,000
Scholarship grants	5,000	4,000	2,132
Interest and miscellaneous	2,000	5,483	2,554
Other events	<u>3,000</u>	<u>-</u>	<u>585</u>
	192,250	194,918	198,184
<b>EXPENDITURE</b>			
Amortization	4,000	4,093	4,470
Other events	3,000	-	452
Committees	25,000	26,238	20,890
Office	19,000	11,827	14,260
Personnel	75,500	74,461	72,049
Professional fees	4,000	3,701	3,978
Rent	18,500	17,877	16,588
Symposia	38,000	34,679	36,516
Scholarship	<u>5,000</u>	<u>4,528</u>	<u>4,832</u>
	<u>192,000</u>	<u>177,404</u>	<u>174,035</u>
<b>NET REVENUE FOR THE YEAR</b>	<u>\$ 250</u>	<u>\$ 17,514</u>	<u>\$ 24,149</u>

**RADIO ADVISORY BOARD OF CANADA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED OCTOBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Cash from operations		
Net revenue for the year	\$ 17,514	\$ 24,149
Item not involving cash		
- amortization	<u>4,093</u>	<u>4,470</u>
	21,607	28,619
Net change in non-cash working capital balances		
- (increase) decrease in accounts receivable	( 6,208)	660
- decrease in prepaid expenses	609	3,368
- increase (decrease) in accounts payable and accrued liabilities	125	( 5,557)
- increase in deferred revenue	<u>18,550</u>	<u>12,816</u>
	<u>13,076</u>	<u>11,287</u>
	34,683	39,906
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>-</u>	( <u>8,616</u> )
<b>INCREASE IN CASH POSITION DURING THE YEAR</b>	34,683	31,290
Cash position - beginning of year	<u>204,970</u>	<u>173,680</u>
<b>CASH POSITION - END OF YEAR</b>	<u>\$ 239,653</u>	<u>\$ 204,970</u>
<b>CASH POSITION</b>		
Cash	\$ 85,041	\$ 116,372
Investments	<u>154,612</u>	<u>88,598</u>
	<u>\$ 239,653</u>	<u>\$ 204,970</u>

# **RADIO ADVISORY BOARD OF CANADA**

## **NOTES TO FINANCIAL STATEMENTS**

**OCTOBER 31, 2008**

### **1. PURPOSE OF THE ORGANIZATION**

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.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Accrual Basis of Accounting**

Revenue and expenditures are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

#### **(b) Investments**

Investments are classified as held for trading and are recorded at fair value. Fair values are determined by reference to published price quotations in an active market at year-end.

#### **(c) Capital Assets**

Capital assets are recorded at cost on acquisition and amortized in accordance with the amortization policy outlined below. Equipment leases that transfer substantially all the risks and benefits of ownership to the Board over the lease term are treated as capital leases. The capital lease obligations are reduced by the lease payments net of imputed interest.

#### **(d) Amortization**

Amortization is provided on computer equipment and furniture using the straight line basis over four and ten years respectively. One half of this rate is used in the year of acquisition. Capital leased equipment is amortized over the term of the lease.

#### **(e) Volunteer Services**

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

#### **(f) Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**RADIO ADVISORY BOARD OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**OCTOBER 31, 2008**

**3. FINANCIAL INSTRUMENTS**

The Board's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximates their carrying values, unless otherwise stated. It is management's opinion that the Board is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

**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. INVESTMENTS**

	<b>2008</b>	<b>2007</b>
Money market funds	\$ -	\$ 31,282
G.I.C.	154,612	57,316
	\$ 154,612	\$ 88,598

**6. CAPITAL ASSETS**

	<b>2008</b>		<b>2007</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>	<b>Net</b>
Computer equipment	\$ 40,447	\$ 33,646	\$ 6,801	\$ 10,462
Furniture	4,324	1,533	2,791	3,223
	\$ 44,771	\$ 35,179	\$ 9,592	\$ 13,685

**7. COMMITMENT**

Premises

The Board has signed a lease agreement for a five year term ending February 2013 at a minimum annual rent of \$6,663 plus GST, plus operating costs. Annual rent, including operating costs, is approximately \$19,000 plus GST.