
NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Peach City Community Radio Society as at August 31, 2017 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

An accountant in this firm is a director of Peach City Community Radio Society.

Penticton, British Columbia
October 11, 2017

OKV CPAs

CHARTERED PROFESSIONAL ACCOUNTANTS

PEACH CITY COMMUNITY RADIO SOCIETY

Statement of Financial Position

August 31, 2017

(Unaudited - See Notice To Reader)

	2017	2016
ASSETS		
CURRENT		
Cash (Note 3)	\$ 60,103	\$ 49,869
Government remittances receivable	321	-
Prepaid expenses	1,193	1,348
	61,617	51,217
PROPERTY AND EQUIPMENT (Note 4)	16,054	15,552
	\$ 77,671	\$ 66,769
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 868	\$ 642
Government remittances payable	-	1,822
Deferred revenue (Note 5)	23,890	13,424
	24,758	15,888
NET ASSETS	52,913	50,881
	\$ 77,671	\$ 66,769

ON BEHALF OF THE BOARD

_____ *Director*

PEACH CITY COMMUNITY RADIO SOCIETY**Statement of Revenues and Expenditures****Year Ended August 31, 2017***(Unaudited - See Notice To Reader)*

	Budget 2017	2017	2016
REVENUES			
Grants	\$ 29,692	\$ 33,291	\$ 17,904
Events and donations	19,664	13,343	27,419
Memberships	1,200	1,730	1,465
	<u>50,556</u>	<u>48,364</u>	<u>46,788</u>
EXPENSES			
Salaries and wages	24,242	22,350	17,904
Rent	5,000	4,832	2,618
Supplies	6,625	4,621	2,015
Amortization	-	3,552	2,239
Honoraria	-	2,110	150
Utilities	2,200	1,572	575
Advertising and promotion	2,900	1,529	1,224
Travel	2,000	1,406	295
Sub-contracts	-	1,260	-
Insurance	1,000	836	980
Licences, fees and dues	1,015	801	400
Office	2,400	645	326
Equipment rentals	700	560	546
Repairs and maintenance	700	209	-
Interest and bank charges	300	49	307
	<u>49,082</u>	<u>46,332</u>	<u>29,579</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>1,474</u>	<u>2,032</u>	<u>17,209</u>
OTHER EXPENSES (INCOME)			
Revaluation of property and equipment	-	-	3,947
In-kind donations	-	-	(354)
	<u>-</u>	<u>-</u>	<u>3,593</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 1,474</u>	<u>\$ 2,032</u>	<u>\$ 13,616</u>

See notes to financial statements

PEACH CITY COMMUNITY RADIO SOCIETY

Statement of Changes in Net Assets

For the Year Ended August 31, 2017

(Unaudited - See Notice To Reader)

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 50,881	\$ 37,265
Excess of revenues over expenses	<u>2,032</u>	<u>13,616</u>
NET ASSETS - END OF YEAR	<u>\$ 52,913</u>	<u>\$ 50,881</u>

PEACH CITY COMMUNITY RADIO SOCIETY

Notes to Financial Statements

For the Year Ended August 31, 2017

(Unaudited - See Notice To Reader)

1. FINANCIAL STATEMENT DISCLOSURE

These financial statements do not include all the disclosures required under Canadian accounting standards for not-for-profit organizations.

Some users may require further information as these statements have not been prepared for general purposes.

2. PURPOSE OF THE SOCIETY

Peach City Community Radio Society (the "society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The society operates to provide community based radio broadcasting for the Penticton area.

3. RESTRICTED CASH

Cash is externally restricted under the terms a funding agreement with the Community Radio Fund of Canada (CRFC). Imposed by a resolution of the board of directors, cash has been internal restricted for capital expenditures.

	<u>2017</u>	<u>2016</u>
Externally restricted	\$ 23,130	\$ 14,105
Internally restricted	20,000	-
Subtotal	<u>43,130</u>	14,105
Unrestricted cash	<u>16,973</u>	35,764
	<u>\$ 60,103</u>	<u>\$ 49,869</u>

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Radio equipment	\$ 14,411	\$ 3,973	\$ 10,438	\$ 9,893
Computer equipment	4,892	1,868	3,024	3,616
Leasehold improvements	2,382	595	1,787	1,606
Furniture and fixtures	1,012	207	805	437
	<u>\$ 22,697</u>	<u>\$ 6,643</u>	<u>\$ 16,054</u>	<u>\$ 15,552</u>

PEACH CITY COMMUNITY RADIO SOCIETY

Notes to Financial Statements

For the Year Ended August 31, 2017

(Unaudited - See Notice To Reader)

5. DEFERRED REVENUE

	<u>2017</u>	<u>2016</u>
CRFC grant	\$ 23,130	\$ 11,639
Vinylfest	760	1,785
	<u>\$ 23,890</u>	<u>\$ 13,424</u>

6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

PEACH CITY COMMUNITY RADIO SOCIETY**Revenues and Expenses by Fund****(Schedule 1)****Year Ended August 31, 2017***(Unaudited - See Notice To Reader)*

	General	CRFC	Total
REVENUES			
Grants	\$ 2,250	\$ 31,041	\$ 33,291
Events and donations	13,343	-	13,343
Memberships	1,730	-	1,730
	-	-	-
	-	-	-
	17,323	31,041	48,364
EXPENSES			
Salaries and wages	-	22,350	22,350
Rent	4,012	820	4,832
Supplies	948	3,672	4,620
Amortization	3,552	-	3,552
Honoraria	1,200	910	2,110
Utilities	1,572	-	1,572
Advertising and promotion	496	1,033	1,529
Travel	905	502	1,407
Sub-contracts	-	1,260	1,260
Insurance	835	-	835
Licences, fees and dues	801	-	801
Office	224	421	645
Equipment rentals	487	73	560
Repairs and maintenance	209	-	209
Interest and bank charges	50	-	50
	15,291	31,041	46,332
GROSS PROFIT	\$ 2,032	\$ -	\$ 2,032

PEACH CITY COMMUNITY RADIO SOCIETY**Proposed 2018 Budget****(Schedule 2)****For the Year Ended August 31***(Unaudited - See Notice To Reader)*

	Budget 2018	Actual 2017	Actual 2016
REVENUES			
Grants	\$ 39,550	\$ 33,291	\$ 17,904
Events and donations	12,910	13,343	27,419
Memberships	1,200	1,730	1,465
On-air revenue	265	-	-
	53,925	48,364	46,788
EXPENSES			
Honoraria	14,000	2,110	-
Travel	10,600	1,406	295
Rent	8,100	4,832	2,618
Wages and contractors	7,350	23,610	18,054
Office	4,700	645	326
Utilities	2,200	1,572	575
Supplies	1,862	4,621	2,015
Advertising	1,802	1,529	1,224
Insurance	1,000	836	980
Licences, dues and fees	990	801	400
Repairs and maintenance	700	209	-
Equipment rent	366	560	546
Interest and bank charges	255	49	307
Amortization	-	3,552	2,239
	53,925	46,332	29,579
INCOME FROM OPERATIONS	\$ -	\$ 2,032	\$ 17,209

Capital budget: The Society has budgeted an additional \$22,000 for capital expenditures in 2018 (Radio and broadcasting equipment - \$21,000, office equipment - \$500, studio improvements - \$500).