

**CKUA RADIO FOUNDATION**  
**Financial Statements**  
**Year Ended August 31, 2023**

**CKUA RADIO FOUNDATION**  
**Index to Financial Statements**  
**Year Ended August 31, 2023**

---

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 16

**INDEPENDENT AUDITOR'S REPORT**

To the Directors of CKUA Radio Foundation

**Qualified Opinion**

We have audited the financial statements of CKUA Radio Foundation (CKUA), which comprise the statement of financial position as at August 31, 2023, and the statements of operations, changes in net assets 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 CKUA as at August 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, the CKUA derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the CKUA. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2023, current assets and net assets as at August 31, 2023.

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 CKUA in accordance with 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 audit opinion.

**Other Matter**

The financial statements for the year ended August 31, 2022 were audited by another auditor who expressed a qualified opinion with respect to the completeness of revenue associated with donations. The financial statements were issued on December 15, 2022.

**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 ASNPO, 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 the financial statements, management is responsible for assessing the CKUA'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 CKUA or to cease operations, or has no realistic alternative but to do so.

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

(continues)

***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 CKUA'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 CKUA'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 CKUA 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.

Edmonton, Alberta  
February 7, 2024



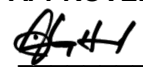
CHARTERED PROFESSIONAL ACCOUNTANTS

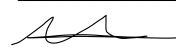
**CKUA RADIO FOUNDATION**  
**Statement of Financial Position**  
**August 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 550,102	\$ 750,263
Externally restricted cash (Note 3)	193,494	499,911
Internally restricted cash (Note 4)	1,450,890	1,300,173
Short-term Investments (Note 5)	329,326	722,359
Accounts receivable	268,107	340,954
Prepaid expenses	232,507	150,137
	<b>3,024,426</b>	<b>3,763,797</b>
LONG-TERM INVESTMENTS (Note 5)	-	119,134
PROPERTY AND EQUIPMENT (Note 6)	<b>15,293,837</b>	<b>15,622,403</b>
	<b>\$ 18,318,263</b>	<b>\$ 19,505,334</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 705,412	\$ 395,647
Deferred revenue (Note 8)	3,716	17,604
Deferred contributions (Note 9)	495,725	295,497
Demand loans (Note 10)	5,991,001	6,090,685
	<b>7,195,854</b>	<b>6,799,433</b>
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 11)	<b>8,130,331</b>	<b>8,276,108</b>
	<b>15,326,185</b>	<b>15,075,541</b>
<b>NET ASSETS</b>		
Unrestricted	145,982	1,452,325
Internally restricted (Note 12)	1,651,590	1,600,173
Invested in property and equipment	1,194,506	1,377,295
	<b>2,992,078</b>	<b>4,429,793</b>
	<b>\$ 18,318,263</b>	<b>\$ 19,505,334</b>

LEASE COMMITMENTS (Note 13)

**APPROVED BY THE DIRECTORS**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See notes to financial statements

**CKUA RADIO FOUNDATION**  
**Statement of Operations**  
**Year Ended August 31, 2023**

	2023	2022
<b>REVENUE</b>		
Donations	\$ 3,555,009	\$ 3,694,464
Gaming	706,714	243,370
Building rentals	537,643	625,733
Sponsorships and promotional sales	489,559	522,957
Amortization of deferred contributions related to property and equipment	331,408	331,497
Tower rentals	121,333	112,592
Grant revenue recognized (Note 14)	118,090	241,912
Other including interest and foreign exchange	77,179	12,920
In-kind sponsorships and donations	-	2,210
	<u>5,936,935</u>	<u>5,787,655</u>
<b>EXPENSES</b>		
Programming	1,466,884	1,404,081
Studio and transmitter technical	1,128,627	965,064
General administration	968,713	780,440
Building	818,775	522,447
Fundraising (Note 17)	797,889	702,435
Marketing, sales and community outreach	560,786	437,606
Raffle	543,854	148,081
Interest on demand loans	496,638	299,595
Amortization of contributed property and equipment	331,408	331,497
Amortization of internally funded property and equipment	261,076	266,307
In-kind goods and services	-	2,210
	<u>7,374,650</u>	<u>5,859,763</u>
<b>REVENUE UNDER EXPENSES</b>	<b>(1,437,715)</b>	<b>(72,108)</b>
<b>OTHER INCOME</b>		
Gain on disposal of property and equipment	-	21,989
<b>REVENUE UNDER EXPENSES</b>	<b>\$ (1,437,715)</b>	<b>\$ (50,119)</b>

See notes to financial statements

**CKUA RADIO FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended August 31, 2023**

	Unrestricted	Internally restricted	Invested in property and equipment	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,452,325	\$ 1,600,173	\$ 1,377,295	<b>\$ 4,429,793</b>	\$ 4,479,912
Revenue under expenses	(1,176,639)	-	(261,076)	<b>(1,437,715)</b>	(50,119)
Transfers <i>(Note 12)</i>	(51,417)	51,417	-	-	-
Purchase of equipment	(78,287)	-	78,287	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 145,982</b>	<b>\$ 1,651,590</b>	<b>\$ 1,194,506</b>	<b>\$ 2,992,078</b>	<b>\$ 4,429,793</b>

**CKUA RADIO FOUNDATION**  
**Statement of Cash Flows**  
**Year Ended August 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Revenue under expenses	\$ (1,437,715)	\$ (50,119)
Items not affecting cash:		
Amortization of deferred capital contributions	(331,408)	(331,497)
Amortization of contributed property and equipment	331,408	331,497
Amortization of internally funded property and equipment	261,076	266,307
	<u>(1,176,639)</u>	216,188
Changes in non-cash working capital:		
Accounts receivable	72,847	(178,547)
Prepaid expenses	(82,370)	(9,319)
Accounts payable and accrued liabilities	309,767	12,218
Deferred revenue	(13,888)	(660)
Deferred contributions	200,228	70,447
	<u>486,584</u>	(105,861)
	<u>(690,055)</u>	110,327
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	512,166	56,024
Purchase of equipment	(263,918)	(253,519)
Proceeds received for purchase of property and equipment	185,631	253,519
	<u>433,879</u>	56,024
<b>FINANCING ACTIVITIES</b>		
Net reductions (additions) of restricted cash	155,699	(181,406)
Repayment of demand loans	(99,684)	-
	<u>56,015</u>	(181,406)
<b>DECREASE IN CASH</b>	<b>(200,161)</b>	<b>(15,055)</b>
Cash - beginning of year	<u>750,263</u>	<u>765,318</u>
<b>CASH - END OF YEAR</b>	<b>\$ 550,102</b>	<b>\$ 750,263</b>

See notes to financial statements



**CKUA RADIO FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

---

1. NATURE OF OPERATIONS

CKUA Radio Foundation (“CKUA”) is incorporated provincially under the Societies Act of Alberta. As a registered charity, CKUA is exempt from income taxes under Section 149(1) of the Income Tax Act.

CKUA acquired the assets of the CKUA Radio Network from the Alberta Educational Communications Corporation and commenced operations on August 1, 1994. CKUA Radio broadcasts music, arts and culture programs throughout greater Alberta on FM radio and around the world on ckua.com.

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash is defined as cash in the bank, net of outstanding deposits and outstanding cheques issued at the reporting date.

Short-term investments

Short-term investments are recorded at cost plus accrued interest and are defined as term deposits with maturity dates of less than a year.

Long-term investments

Long-term investments are recorded at cost plus accrued interest and are defined as non-redeemable term deposits with maturity dates greater than one year.

Property and equipment

Property and equipment are recorded at cost and are amortized over their estimated useful lives using the various methods at the following rates:

Building	40 years	straight-line method
Studio and technical equipment	10%	declining balance method
Computer software - major systems	10%	declining balance method
Building - transmitter sites	10%	declining balance method
Transmission equipment	20%	declining balance method
Office furniture and equipment	20%	declining balance method
Automotive	5 years	straight-line method
IT equipment	30%	declining balance method
Leasehold improvements	term of the lease	straight-line method
Website design	2 years	straight-line method
On-demand platform	2 years	straight-line method

*(continues)*

---

**CKUA RADIO FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

CKUA follows the deferral method of accounting for contributions.

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. Pledges are not recognized as revenue until received because their ultimate collection cannot be reasonably determined.

Contributions that are externally restricted for purposes other than the purchase of property and equipment are recognized as revenue in the year in which the related expenses are incurred. Contributions that are externally restricted for the purchase of property and equipment are deferred until the amounts are invested in property and equipment. Contributions invested in property and equipment, excluding land, are amortized to revenue on the same basis as the related assets.

Sponsorship and promotional revenue is recognized over the period that the advertising airs.

Building rental revenue is recognized once it has been earned and collection is reasonably assured.

Tower rental revenue is recognized over the term of the rental agreement.

Interest revenue is recognized on an accrual basis.

Contributed materials and services

Donated materials are reflected in the financial statements at fair value if fair value can be reasonably estimated. Donated services, including volunteer time, are not reflected in the financial statements because of the difficulty in determining their fair value. During the year, approximately 913 hours (890 hours in 2022) (hours are unaudited) of volunteer time was donated to CKUA.

CKUA enters into agreements whereby materials or services are acquired in exchange for advertising. The in-kind sponsorship and donation transactions are recorded at the estimated fair value of the advertising period.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

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 amounts reported in the financial statements. Significant estimates include the useful life of property and equipment, accrued liabilities, deferred contributions, and deferred contributions related to property and equipment. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

---

**CKUA RADIO FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

3. EXTERNALLY RESTRICTED CASH

	<u>2023</u>	<u>2022</u>
Government of Alberta three year operating grant	\$ 114,159	\$ 171,149
Alberta Gaming, Liquor and Cannabis Commission	77,306	3,969
Government of Alberta Drumheller tower grant	1,134	-
Community Development Enhancement funding	850	249,788
Canadian Heritage Performance Space Enhancement	42	75,005
Ignition grant funding	3	-
	<u>\$ 193,494</u>	<u>\$ 499,911</u>

Included in externally restricted cash are amounts required under funding agreements to be held in separate, interest bearing accounts. Interest earned on unspent funds is similarly restricted under the agreements. During the year, \$7,249 (2022--\$722) of interest was restricted.

4. INTERNALLY RESTRICTED CASH

	<u>2023</u>	<u>2022</u>
Internally restricted proceeds from sale of towers	\$ 1,351,590	\$ 1,300,173
Internally restricted cash in investment account	99,300	-
	<u>\$ 1,450,890</u>	<u>\$ 1,300,173</u>

5. INVESTMENTS

	<u>2023</u>	<u>2022</u>
Guaranteed investment certificate bearing interest at 4.75% and maturing on December 15, 2023	\$ 200,700	\$ -
Guaranteed investment certificate bearing interest at 4.62% and maturing on November 21, 2023	120,868	119,134
Guaranteed investment certificate bearing interest at 4.81% and maturing on April 15, 2024	7,758	7,581
Guaranteed investment certificate bearing interest at 0.35% and maturing on December 15, 2022	-	400,000
Guaranteed investment certificate bearing interest at 3.50% and maturing on July 31, 2023	-	314,778
	<u>329,326</u>	<u>841,493</u>
Less long-term	-	(119,134)
	<u>\$ 329,326</u>	<u>\$ 722,359</u>

Included in investments is \$200,700 (2022--\$300,000) which are internally restricted.

**CKUA RADIO FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 1,270,800	\$ -	\$ 1,270,800	\$ 1,270,800
Building	17,784,511	4,607,922	13,176,589	13,455,957
Studio and technical equipment	935,595	608,088	327,507	363,897
Computer software - major systems	357,332	334,702	22,630	-
Building - transmitter sites	218,253	123,490	94,763	118,454
Transmission equipment	1,723,958	1,516,090	207,868	206,521
Office furniture and fixtures	405,637	366,435	39,202	52,506
Automotive	46,963	16,086	30,877	-
IT equipment	384,063	372,806	11,257	4,476
Leasehold improvements	460,942	460,942	-	-
Website design	71,129	71,129	-	149,792
On-demand platform	149,792	37,448	112,344	-
	<u>\$ 23,808,975</u>	<u>\$ 8,515,138</u>	<u>\$ 15,293,837</u>	<u>\$ 15,622,403</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is the following government remittance:

	2023	2022
Payroll deductions	<u>\$ 2,901</u>	<u>\$ 1,889</u>

8. DEFERRED REVENUE

Deferred revenue consists of deposits for prepaid rent from building tenants.

9. DEFERRED CONTRIBUTIONS

Deferred contributions relates to operating funding restricted for future periods or restricted for programming or projects for which expenses have not yet been incurred.

	2023	2022
Balance, beginning of year	\$ 295,497	\$ 225,050
Contributions received in year	1,203,414	808,526
Interest restricted	7,249	722
Amounts recognized as gaming revenue	(706,714)	(243,370)
Amounts recognized as grant revenue	(118,090)	(241,912)
Amounts transferred to unamortized deferred capital contributions	(185,631)	(253,519)
Balance, end of year	<u>\$ 495,725</u>	<u>\$ 295,497</u>

**CKUA RADIO FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

---

10. DEMAND LOANS

	<u>2023</u>	<u>2022</u>
Non-revolving demand loan to a maximum of \$5,750,000, bearing interest at prime plus 2.0%, is payable in full on demand. During the year interest only payments were made on the outstanding balance.	<b>\$ 5,750,000</b>	\$ 5,750,000
Non-revolving demand loan to a maximum of \$250,000, bearing interest at prime plus 2.0%, is payable in full on demand. During the year interest only payments were made on the outstanding balance.	<b>219,000</b>	219,000
Revolving demand loan to a maximum of \$250,000, bearing interest at prime plus 2.0%, payable on demand.	<b>22,001</b>	121,685
	<b><u>\$ 5,991,001</u></b>	<b><u>\$ 6,090,685</u></b>

The demand loans are secured by a general security agreement from borrower providing a security interest over all present and after acquired personal property, mortgage from borrower in the amount of \$13,850,000 constituting a first fixed charge on land, and a general assignment of rents and leases relating to land.

---

11. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Deferred contributions related to property and equipment represent contributions received to fund the cost of property and equipment additions. The changes in deferred contributions related to property and equipment for the year are as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	<b>\$ 8,276,108</b>	\$ 8,354,086
Amounts transferred from deferred grant revenue	<b>185,631</b>	253,519
Amortization of deferred contributions	<b>(331,408)</b>	(331,497)
Balance, end of year	<b><u>\$ 8,130,331</u></b>	<b><u>\$ 8,276,108</u></b>

---

12. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets accounts for internally restricted amounts. The internally restricted amounts are assigned by the Board for specific purposes including the preservation and viability of CKUA and may be designated to support operations and maintenance or acquisition of capital equipment and facilities.

The Board has internally restricted proceeds from sale of towers \$1,351,590 (2022--\$1,300,173) During the year interest generated on the net assets totalled \$51,417 (2022--\$10,467).

The Board has internally restricted \$300,000 (2022-\$300,000). During the year, there were no amounts transferred. The purpose of all the internally restricted funds are as follows:

*(continues)*

---

**CKUA RADIO FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

---

12. INTERNALLY RESTRICTED NET ASSETS *(continued)*

- Ensure Economic Sustainability – to support the rejuvenation of donor base, major donors, and data enhancement for future fundraising efforts in both donations and sales and sponsorship.
  - Ensure Technology Sustainability – to support appropriate technology infrastructure spending for programming, transmission and administration
  - Ensure Programming Sustainability – to support changes in programming and platforms that CKUA uses to reach its customers
  - Ensure Community Sustainability – to support the music, arts and culture community
- 

13. LEASE COMMITMENTS

CKUA has a long-term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at August 31, 2023, are as follows:

	Building	Equipment	Total
2024	\$ 16,830	\$ 136,329	\$ 153,159
2025	16,830	115,746	132,576
2026	16,830	118,736	135,566
2027	1,403	101,253	102,656
2028	-	18,101	18,101
Thereafter	-	54,305	54,305
	<u>\$ 51,893</u>	<u>\$ 544,470</u>	<u>\$ 596,363</u>

---

14. GRANT REVENUE RECOGNIZED

	2023	2022
Government of Alberta	\$ 57,059	\$ 148,875
Edmonton Arts Council	24,100	47,600
Rozsa Foundation grant	15,000	-
Alberta culture grant	12,065	32,667
Government of Canada - canada summer jobs	9,866	12,770
	<u>\$ 118,090</u>	<u>\$ 241,912</u>

---

15. DEFINED CONTRIBUTION PENSION PLAN

CKUA implemented a defined contribution pension plan on December 1, 2003, covering substantially all full-time and part-time employees. Contributions to the plan are based on a mandatory minimum contribution of 2% by participants in which CKUA contributes a maximum of 3% (3% in 2022) of their annual salary. During the year, the pension expense was \$67,831 (\$59,737 in 2022) and has been recorded as benefits and allocated to various expense categories.

---

**CKUA RADIO FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

---

16. ENDOWMENT FUND

In fiscal 2007, the Board approved the establishment of an endowment fund. The CKUA Endowment Fund is a singular entity comprising two separate administrative units administered by The Calgary Foundation (“TCF”) and the Edmonton Community Foundation (“ECF”).

Under the terms of the agreements with TCF the endowment fund is characterized as a permanent endowment and is recorded in the accounts of the TCF. Accordingly, the endowment assets are not recognized in the financial statements of CKUA. The CKUA Endowment Fund shall continue indefinitely and shall be on the basis of a perpetual life. As at August 31, 2023, the TCF endowment fund has reached \$193,405 (\$196,090 in 2022).

CKUA is the beneficiary of a number of endowment funds (the “Funds”) held by the ECF and created to provide ongoing, dependable support for CKUA. CKUA currently receives income on each fund annually. These funds are not reflected in these financial statements. At the most recent year-end of ECF which is December 31, 2022, the fair market value of all of these funds amounted to \$1,891,812 (\$2,042,227 as of December 31, 2021).

---

17. CHARITABLE FUND-RAISING ACT (ALBERTA)

The following supplementary information is disclosed in compliance with the Charitable Fund-raising Act (Alberta) and related regulations:

	<u>2023</u>
Salaries and benefits for fund development, donor relations, and administrative support	<b>525,688</b>
Other ancillary costs associated with fundraising and donations	<u>272,201</u>
	<b><u>\$ 797,889</u></b>

---

**CKUA RADIO FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

---

18. FINANCIAL INSTRUMENTS

CKUA is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about CKUA's risk exposure and concentration as of August 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. CKUA is exposed to credit risk from customers. In order to reduce its credit risk, CKUA reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. CKUA has a significant number of customers which minimizes concentration of credit risk.

It is management's opinion that there is no significant credit risk as of August 31, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. CKUA is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and demand loans. CKUA is exposed to liquidity risk as its current liabilities exceed current assets as of August 31, 2023.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the CKUA manages exposure through its normal operating and financing activities. CKUA is exposed to interest rate risk primarily through its floating interest rate demand loans.

---

19. COMPARATIVE FIGURES

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

---