JAZZ.FM91

ANNUAL REPORT 2022

ENTERTAIN ... INSPIRE ... UNITE

JAZZ.FM91 OUR VISION

MAKE JAZZ ACCESSIBLE TO EVERYONE...
BECAUSE JAZZ IS ALL OF US AT OUR BEST

SOUND OF JAZZ: LIVE TO AIR — DECEMBER, 2022


JAZZ.FM91 YOUTH BIG BAND, DIRECTED BY MICHAEL ARTHURS

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REPORT TO MEMBERS

Dear Fellow Member,

As I reflect on the past year, I think of the old and the new, the emerging artists and the established jazz musicians whose song and sound we broadcast across our airwaves 24/7 throughout the year. I also think about our team at JAZZ.FM91, working hard to carry out our vision to "make jazz accessible to everyone" and our mission to "entertain, inspire and unite."

As we say on our website: "We believe jazz is unifying at its core. Jazz is collaborative and improvisational; it is curious and fearless and inclusive. Jazz is all of us at our best." With these values in mind, our team is constantly striving to work with and serve stakeholders across this broad and diverse community. I also think about you, our members, who support the station and all the work we're doing to make sure the musicians are heard and supported, and that jazz continues to have a vibrant place to grow. We welcome the new donors who joined us this year and remain deeply grateful for the ongoing support of our long-term and returning donors. Without all of you, there would be no JAZZ.FM91.

In 2021, we launched a new 5-year Strategic Plan. Our Plan emboldens the station to make the changes that we believe emphasize JAZZ.FM91's unique place in the field of radio broadcasting. Over the past year, management has made significant changes that reflect shifts in key areas of programming, listener engagement, artist support, and revenue generation. These include:

- creating new programming and building a more robust and engaging streaming profile
- transforming our work in the areas of education and artist outreach through new sources of grant revenue and donations
- initiating new approaches to philanthropic giving as a core component of the support that keeps our doors open and our activities vibrant.

We are already seeing these changes reflected in new initiatives for early career artists, constantly evolving programming, fewer on-air campaign days, and new opportunities for donor engagement.

The Board is proud of these achievements and how the transformation is reshaping JAZZ.FM91 in truly meaningful ways. Many of these developments, along with a summary of our financial results, will be outlined in more detail by Dana Wigle in the General Manager's Report.
At the same time, 2022 has been a year of significant challenge, both at home and globally. Health concerns remain present in our lives, and we face added challenges in 2023 as we deal with the consequences of inflation and threats of a possible recession.

JAZZ.FM91 has felt these challenges, particularly in terms of maintaining and growing more robust revenue streams through advertising and fundraising. Over the past year management has implemented significant structural changes in the areas of revenue generation, all of which will take time to realize. This transition period is expected to result in a deficit budget in 2023 with a return to a balanced budget and rebuilding of reserves in subsequent years. The Board supports management's direction and is monitoring financial results closely.

While our 5-year Strategic Plan offers a renewed vision for JAZZ.FM91 that we believe will take us forward into a strong and vibrant future, we rely on the generous support of our donors and listeners as we continue to execute this transition during uncertain times. We thank you for your continued support and know you'll be there with us in our shared love and enjoyment of the music and the musicians who make this music. I know that together we can work our way through this challenging time as we continue to fully realize and build upon the vital and vibrant institution that is JAZZ.FM91.

On behalf of the Board of Directors,

Catherine Mitro
Chair

GENERAL MANAGER'S REPORT

We accomplished a great deal together in 2022. With our new 5 year Strategic Plan as our map and our mission, vision and core values as our guide, Fiscal 2022 was a year of transition and transformation. As with any change, there were challenges and set-backs along the way. There were also wonderful breakthroughs and growth, none of which happens without our members.

Thank you. We've done some impressive things together.

Operations and Financial Results

COVID-19 prompted a reset for JAZZ.FM91. Because of extended CEWS in 2021, we went into 2022 with a starting cash balance of $983K. This allowed us to invest in significant foundational changes necessary for our continued success. We built upon the strength and expertise in our team, strengthened our broadcast through needed upgrades at the CN Tower and improved programming on air, online and in the community.

Strengthening our revenue streams was the primary focus in 2022. Ralph Carter and Lorie De Angelis were hired to increase our sales team and Steven Endicott, Fundraising Leader, and Felicia Shah, Fundraising Officer, were hired to strengthen our fundraising efforts.
Investing in our infrastructure, technology and expertise was needed to strengthen our operations for the future. The overall financial result was a deficit in 2022 of $112,465. We finished the fiscal year with total assets of 1.3 million compared with 1.6 million a year earlier including cash and cash equivalents of $762,000 compared with $1 million in 2021.

Entertain

We introduced new programming in 2022 including *Voice Tracks* with Dani Elwell, *New Origins* with Rich Brown and *Swing Set* with Alex Pangman.

In addition to adding live station programming we also improved our digital offerings with specialty streams such as *RESPECT: The Best in Vocal Jazz*, *The Oscar Peterson Channel* and *Notes from Canada*. Our community also now has access to more podcasts like *Oscar's Blues* with Danny Marks, *Vocal Vibe* with Heather Bambrick and *In the Land of the Misty Giant*.

While health restrictions did not allow for in person concerts in 2022, JAZZ.FM91 broadcast and streamed over 15 live performances from our Long & McQuade Performance Hall including a very special performance in celebration of Oscar Peterson that was hosted by Celine Peterson and featured pianist Eric Reed and bassist Dave Young. We proudly declared August 15, Oscar Peterson Day while the city of Toronto marked the occasion with us proclaiming the date **Oscar Peterson Day** in the city.

In the past 12 months JAZZ.FM91 has been recognized for our world class programming winning numerous awards including Gold for Best Jazz Format at the New York Festival Radio Awards.

Inspire

Jazz is unique in its ability to inspire. It’s the great equalizer, allowing everyone to shine and moving people to lift one another up. The relationship between JAZZ.FM91 and the community we serve is symbiotic and in 2022 we sought and were granted $150,000 in resiliency funding from the Ontario Trillium Foundation to develop the JAZZ.FM91 Alumni Association. Through Jazzology, The Youth Big Band and Discover Women in Jazz, we have been a part of the journey for over 600 of the brightest early, mid and established career artists that Canada has to offer. This new program will be run by artists for artists to strengthen our jazz community.
More than a radio station, JAZZ.FM91 is the literal and virtual world stage for Canadian jazz artists. We are essential to their career development and they are essential to our survival and ability to grow and thrive.
More than a new outreach program, The Alumni Association is our business. It is JAZZ.FM91 re-imagined to ensure we thrive. We have the ability to provide our alumni a platform and structure for their ingenuity and creativity and together we can build a bigger profile for Canadian jazz talent on the world stage and create a community to help early career artists.

Unite

One of the most fundamental transitions over the past year has been our new approach to fundraising. Steven Endicott joined us late in the fiscal year as our new Fundraising Leader. Steven brings with him decades of expertise in fundraising for the arts and under his leadership we’ve seen impactful improvements in our stewardship such as immediate tax receipts for online donations, personalized letters and thank you calls, and consistent on air recognition for our sustaining donors.

With our new donor first strategy for stewardship and cultivation, we have reduced the number of interrupted programming hours and restructured our fundraising efforts. Along with improving stewardship, we responded to the feedback we received from our listener supporters, and restructured our on air appeals resulting in 168 fewer hours of on air fundraising last year going from 400 hours in 2021 to 232 in 2022.

Our supporters, volunteers and members, like you, help to make all of these changes possible. The transition takes time but together we are improving listener experience, broadening our impact in the community, strengthening our case for giving and making jazz more accessible.

Looking Forward

Fiscal 2023 will be a year of implementation and stability. The Ontario Trillium Foundation grant will enable us to initiate the first phase of a new website by the end of Q2. The redevelopment of our site will make accessibility and navigation easier and will create additional revenue opportunities. We will also see the return of in person concerts with The Sound of Jazz returning for the 46th season. The six concert series will be at Lula Lounge beginning in February and JAZZ.FM91 supporters will be the first to know. We look forward to a challenging but exciting year ahead.

Sincerely,

Dana Wigle
General Manager

Financial Statements of

JAZZ.FM91 INC.

And Independent Auditor's Report thereon

Year ended August 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of JAZZ.FM91 Inc.

Opinion

We have audited the financial statements of JAZZ.FM91 Inc. (the Entity), which comprise:

- the statement of financial position as at August 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at August 31, 2022, 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 Opinion

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 auditor's report.

We are independent of the Entity 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 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 the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 the 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 Entity's internal control.

KPMG

- 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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

December 15, 2022

JAZZ.FM91 INC.

Statement of Financial Position

August 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (notes 3 and 5)	$ 762,020	$ 1,025,701
Short-term investments (note 3)	35,569	100,064
Accounts receivable (notes 2 and 4)	208,133	186,528
Prepaid expenses and other assets	117,025	89,270
Harmonized sales tax receivable	18,676	16,705
	1,141,423	1,418,268
Long-term investments (notes 3 and 5)	71,069	105,408
Capital assets (note 8)	135,766	75,620
	$ 1,348,258	$ 1,599,296
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 50,186	$ 65,211
Accrued liabilities	107,476	140,733
Deferred revenue	112,002	62,790
Accrued employee future benefit liability (note 9)	–	67,964
Deferred rent (note 14(b))	7,153	72,983
	276,817	409,681
Deferred rent (note 14(b))	52,362	58,071
Long-term debt (note 10)	40,000	40,000
	369,179	507,752
Net assets:		
Invested in capital assets	135,766	75,620
Endowment (note 5)	101,200	101,200
Internally restricted (note 6)	200,000	94,000
Unrestricted	542,113	820,724
	979,079	1,091,544
Commitments and contingencies (note 14)		
COVID-19 (note 16)		
	$ 1,348,258	$ 1,599,296

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

JAZZ.FM91 INC.

Statement of Operations

Year ended August 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Donations, grants and international safaris (note 12)	$ 1,865,097	$ 1,942,651
Advertising and sponsorships (note 12)	1,213,308	917,509
Government assistance grants (note 2)	68,741	334,357
Other (notes 10 and 14(b))	59,977	45,905
Designated grants	48,428	22,982
Rental	17,000	28,750
Interest	5,591	8,332
Miscellaneous income	1,064	12,078
	3,279,206	3,312,564
Expenses:		
Administration	1,147,787	923,351
Programming, production, community outreach and education	817,823	769,075
Fundraising and international safaris	517,103	331,814
Engineering and technical	322,238	365,922
Sales (note 12)	302,425	288,645
Advertising, promotions and website costs	184,355	158,688
Designated grants	48,336	23,159
Amortization	42,292	38,854
Interest and bank charges	9,312	7,726
	3,391,671	2,907,234
Excess of revenue over expenses (expenses over revenue)	$ (112,465)	$ 405,330

See accompanying notes to financial statements.

JAZZ.FM91 INC.

Statement of Changes in Net Assets

Year ended August 31, 2022, with comparative information for 2021

					2022	2021
	Invested in capital assets	Endowment	Internally restricted	Unrestricted	Total	Total
Net assets, beginning of year	$ 75,620	$ 101,200	$ 94,000	$ 820,724	$ 1,091,544	$ 686,214
Excess of revenue over expenses (expenses over revenue)	(42,292)	–	–	(70,173)	(112,465)	405,330
Investment in capital assets	102,438	–	–	(102,438)	–	–
Interfund transfer (note 6)	–	–	106,000	(106,000)	–	–
Net assets, end of year	$ 135,766	$ 101,200	$ 200,000	$ 542,113	$ 979,079	$ 1,091,544

See accompanying notes to financial statements.

JAZZ.FM91 INC.

Statement of Cash Flows

Year ended August 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses (expenses over revenue)	$ (112,465)	$ 405,330
Items not involving cash:		
Amortization	42,292	38,854
Deferred rent	(71,539)	10,389
Change in non-cash operating working capital (note 13)	(50,401)	125,962
	(192,113)	580,535
Financing:		
Long-term debt	–	10,000
Investments:		
Purchase of capital assets	(102,438)	(14,143)
Short-term investments	64,495	(100,064)
Long-term investments	34,339	(105,408)
Contributions to accrued employee future benefit liability	(67,964)	(57,890)
	(71,568)	(277,505)
Increase (decrease) in cash and cash equivalents	(263,681)	313,030
Cash and cash equivalents, beginning of year	1,025,701	712,671
Cash and cash equivalents, end of year	$ 762,020	$ 1,025,701

See accompanying notes to financial statements.

JAZZ.FM91 Inc. (the "Organization") is incorporated under the laws of the Province of Ontario as a corporation without share capital to function exclusively as a charitable organization, operating an FM radio broadcasting facility on a non-profit basis. The Organization holds a broadcast licence issued by the Canadian Radio-television and Telecommunications Commission and transmits from the CN Tower. The Organization is a registered charity under the Income Tax Act (Canada).

The Organization is an enterprise that operates a non-commercial, listener-supported radio station that serves a primarily Canadian audience with innovative, enlightening, entertaining and educational programming, both on the air and within the community.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized below:

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions which include donations, grants and international safaris. 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.

Externally restricted contributions, other than endowment contributions, are recognized as revenue in the year in which the related expenses are recognized. Unspent funds are deferred on the statement of financial position.

International safari revenue includes both receipted donations and non-receipted safari revenue. The donation is recorded when received, and the non-receipted safari revenue is recognized once the safari occurs. Non-receipted safari revenue received in advance of the safari is deferred on the statement of financial position.

Endowment funds represent amounts that have been externally restricted by donors where the principal is meant to be held in perpetuity. Endowment contributions are recognized as direct increases to net assets. Interest earned on endowment funds are recorded as deferred revenue and will be recognized as revenue at the time the interest is spent on designated purposes.

1. Significant accounting policies (continued):

Advertising revenue is recorded in the month the advertising airs on radio.

Sponsorship revenue is recognized over the term in which the benefit is provided.

Revenue from concerts and events is recognized in the month in which the event occurs. Revenue from rental income is recognized on the accrual basis.

Donations and sponsorships received in-kind and exchanges of goods and services that are not issued a donation receipt are not recorded in the accounts (note 7).

Donors may make regular monthly contributions to the Organization using pre-authorized chequing and credit card arrangements. These contributions are recognized as revenue when received.

Interest income is recorded on the accrual basis.

(b) Government assistance:

The Organization applied for financial assistance under available government incentive programs. Government assistance related to current expense is recognized as revenue during the year.

(c) Cash and cash equivalents:

The Organization considers deposits in banks, certificates of deposit and other short-term investments with original maturities of 90 days or less at the date of acquisition as cash and cash equivalents.

(d) Capital assets:

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to the Organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the long lived assets are less than their net carrying amount.

1. Significant accounting policies (continued):

Capital assets are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Operating equipment	10 years
Furniture and fixtures	10 years
Computer hardware and software	3 years
Office equipment	10 years
Building leasehold	Term of the lease
Broadcast equipment	10 years
Domain name	10 years
Trillium equipment	5 years
Collection	Indefinite

Collection:

The Organization's collection includes a donated bust of Oscar Peterson. The value of the item has been capitalized on the statement of financial position at its fair value at the time of donation. Due to the nature of collection items, such items are not subject to annual amortization but are evaluated for impairment.

(e) Lease premises:

The Organization records rent expense on a straight-line basis over the term of the lease. The difference between minimum rent as specified in the lease and rent calculated on a straight-line basis is recorded as deferred rent.

(f) Employee future benefits:

The Organization had a defined benefit pension plan ("Plan") to provide pension benefits to a member of the management group. The Organization accrued its obligation under the Plan and the related costs, net of Plan assets, as the employee rendered the service necessary to earn the pension. During 2020, the Plan was wound-up (note 9).

The annual benefit cost, and the change in unamortized gains and losses was recognized in the statement of operations. In addition, the net interest amount is calculated by applying the discount rate used to calculate the net defined benefit obligation. For defined benefit plans for which an actuarial valuation for funding purposes exists, an accounting policy choice between using the funding valuation or accounting valuation is available. The Organization had elected to use the funding valuation.

1. Significant accounting policies (continued):

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(h) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

2. Government assistance:

The Organization applied for and received government assistance in the form of Canada Emergency Wage Subsidy ("CEWS"), Canada Recovery Hiring Program ("CRHP") and the Canada Emergency Rent Subsidy ("CERS"). Total subsidies recorded as other revenue in the statement of operations amounts to CEWS of $14,817 (2021 - $231,558), CRHP of $46,500 (2021 - nil) and CERS of $7,424 (2021 - $102,799), of which a combined nil (2021 - $8,268) is included in accounts receivable as at year-end. Management believes that it is in compliance with all eligibility criteria under the CEWS, CRHP and CERS programs.

3. Investments:

Investments are comprised of fixed income securities. The short-term investments bear interest at a rate of 1.06% and mature on November 23, 2022. The long-term investments bear interest at rates ranging from 1.15% to 1.29% and mature between November 23, 2023 and November 25, 2024.

In 2022, the fixed income securities included in cash and cash equivalents bore interest at a rate of 0.94% and matured on August 8, 2022.

4. Accounts receivable:

Accounts receivable are recorded net of an allowance for doubtful accounts of $16,015 (2021 - $16,215).

5. Endowment:

In fiscal 2008, the Mary Alice Stuart family and friends endowed $51,200 to the Organization to create the Mary Alice Stuart Scholarship Fund. The Board of Directors internally restricted an additional $50,000 to match this donation. Interest earned of $1,229 (2021 - $938) on the endowment funds has been disbursed for fiscal year 2022 scholarships. The Mary Alice Stuart Scholarship Fund plans to award a minimum of one scholarship annually, paid from the annual investment earnings of the fund with any shortfall being covered by the unrestricted fund, to a student interested in, or currently pursuing, studies in music. In the current fiscal year, scholarships of $1,450 (2021 - $1,450) were disbursed.

6. Internally restricted:

The Board of Directors has internally restricted a portion of net assets to provide for future contingencies as determined by the Board of Directors. During the year, $106,000 (2021 - nil) was transferred from internally restricted to unrestricted net assets.

7. Exchange of goods and services:

During the year, the Organization provided radio time with an agreed value of $44,300 (2021 - $23,622) and office space and a parking spot with an agreed value of $31,500 (2021 - $15,750) in exchange for tech services, software, print advertising, promotional services, equipment rental and other goods and services. As at August 31, 2022 the Organization is obligated to provide radio time with an agreed value of $34,640 (2021 - $5,790) and has a balance of nil (2021 - nil) owed to it from other companies. In all these instances, the Organization would not purchase the goods and services at the agreed values, as such values are not accurate reflections of their cost, thus the Organization cannot determine the fair values of either the goods or services purchased or given up. Accordingly, these amounts have not been reflected as revenue and expense items in these financial statements.

8. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Operating equipment	$ 1,046,008	$ 1,044,251	$ 1,757	$ 3,383
Furniture and fixture	325,568	325,568	–	–
Computer hardware and software	488,962	488,962	–	–
Office equipment	44,310	44,310	–	–
Building leasehold	535,055	530,713	4,342	6,392
Broadcast equipment	951,845	834,938	116,907	55,031
Domain name	11,778	11,778	–	–
Trillium equipment	2,433	487	1,946	–
Collection	10,814	–	10,814	10,814
	$ 3,416,773	$ 3,281,007	$ 135,766	$ 75,620

The Organization has held a broadcast licence with an assigned FM radio frequency since the time of its incorporation, the value of which is not reflected in these financial statements.

9. Accrued employee future benefit liability:

Effective July 1, 2005, the Organization established one individual pension plan for a member of senior management. Under the terms of the Plan, the Organization was to make monthly contributions to the Plan up to the date of termination or retirement of the related individual. On November 22, 2019, a resolution was approved by the Board of Directors to discontinue and terminate the Plan in whole effective March 1, 2020. On November 18, 2019, the Organization disbursed $653,382 of the pension benefit entitlement. The actuarial determination of the wind-up liability for the Plan was based on the March 1, 2020 wind-up valuation and the updated actuarial report on the wind-up as of March 1, 2021. The wind-up deficit obligation as of March 1, 2020 was $174,528. The Organization made contributions to the Plan of $48,674 between April and August 2020, further contributions of $57,890 between September 2020 and August 2021. The balance as at August 31, 2021 was $67,964.

During the year, the Board of Directors approved to fund the remaining unfunded wind-up liabilities as at November 1, 2021. The Organization made a payment of $71,576 on October 15, 2021 to pay the liability balance plus interest.

10. Long-term debt:

In 2020, the Organization was granted a loan (the "Loan") from TD Canada Trust (the "Bank") in the amount of $40,000, pursuant to the Canada Emergency Business Account ("CEBA") program which provides interest-free loans to small businesses and not-for-profits. The Loan matures on December 31, 2025 and bears interest at a rate of 5.0% per annum payable monthly commencing on January 31, 2024. If at least 75% of the Loan is repaid on or prior to December 31, 2023, the remaining Loan amount will be forgiven provided that an event of default has not occurred. The $10,000 forgivable loan was recognized as a government grant in 2020. In 2021, the Organization was granted an additional loan of $20,000 pursuant to the CEBA program, resulting in a total loan of $60,000. The terms of the loan agreement were amended such that if $40,000 of the Loan amount is repaid on or prior to the revised term date of December 31, 2023, the Bank will forgive the remaining balance. The additional $10,000 forgivable loan was recognized as a government grant in 2021.

11. Credit facility:

The Organization has a banking agreement that provides a line of credit, the borrowings from which bear interest at prime plus 1.25% and are secured by the Organization's general property. The maximum amount that may be borrowed is $250,000. As at August 31, 2022, there was no amount drawn against this facility (2021 - nil).

12. Related party transactions:

A Director of the Organization's Board of Directors has an agreement with the Organization for advertising on the station. Subsequent to this individual joining the Board of Directors in February 2019, the Organization earned $24,625 (2021 - $27,750) of advertising revenue from this Director.

A Director of the Organization's Board of Directors is the Board Chair of a streaming company that the Organization commenced using for its streaming service in March 2021. The annual fees for the streaming company are estimated to be in the $3,500 to $6,000 range. In fiscal year 2022, the total expense was $5,911.

These transactions are in the normal course of operations and are measured at their exchange amounts, which is the amount of consideration established and agreed to by the related parties.

13. Statement of cash flows:

The change in non-cash operating working capital consists of the following:

	2022	2021
Accounts receivable	$ (21,605)	$ 131,729
Prepaid expenses and other assets	(27,755)	10,587
Harmonized sales tax receivable	(1,971)	(3,359)
Accounts payable	(15,025)	8,578
Accrued liabilities	(33,257)	43,522
Deferred revenue	49,212	(65,095)
	$ (50,401)	$ 125,962

14. Commitments and contingencies:

(a) CN Tower:

The Organization transmits from the CN Tower using its own transmitter. All other equipment used at that location, including the FM antenna, is leased under an agreement which expires on December 31, 2025. The annual base rent, including a share of joint operating costs and a remittance based on a percentage of side band revenue, fluctuates year over year. For fiscal 2022, and each year to the expiry of the agreement, the Organization estimates the commitment will be approximately $190,000.

(b) Office and building:

The Organization rents office premises under a long-term operating lease which expires on September 30, 2022. An amended lease was executed in September 2020 and the landlord approved deferring 50 percent of the rent owed from April to September 2020. The amended agreement further split the 50 percent rent deferral into two portions. The first half of the rent arrears was to be repaid on September 30, 2022, unless the Organization exercised their option to extend the lease term, at which point the rent arrears was to be repaid in equal monthly installments over 24 months commencing October 1, 2022. Subsequently, in March, 2022, a new five-year lease extension agreement commencing October 1, 2022 was entered into which outlined annual rent for each of the five years, and stipulated that such rents were inclusive of the repayment of the deferred rent, to be drawn down over the five years of the agreement. A detailed schedule was further provided indicating the relative allocation of new and deferred rent payments per year. The deferred rent to be drawn down in fiscal year 2023 is recorded on the statement of financial position as current deferred rent; the remainder is recorded as long-term deferred rent. In consideration of the second half of the rent arrears, the Organization was to provide to the landlord promotional consideration of an equal value. The amended lease also provided the Organization with a rent abatement of $7 per square foot from October 2020 to May 2021 in consideration of promotional services to the Landlord of an equal value. The second half of the rent arrears and the rent abatement were recorded at the more reliably measurable fair value of the asset received in the statement of financial position as current deferred rent in 2021. The Organization recognized $59,977 as other revenue for promotional services provided to the Landlord in 2022.The second half of the rent arrears and abatement is fully settled and no further liability remains.

14. Commitments and contingencies (continued):

Under the terms of the amended lease (ending September 30, 2022) and the new lease (commencing October 1 2022), the Organization is required to pay a proportionate share of the operating costs in addition to the base rental payments. The base rental payments under the lease are as follows (exclusive of tax expense):

2023	$ 266,857
2024	279,251
2025	286,417
2026	299,646
2027	313,994
2028 (September 2027 only)	26,266
	$ 1,472,431

(c) The Organization leases equipment under operating leases. The future minimum lease payments are as follows:

2023	$ 6,844
2024	6,844
2025	6,844
2026	4,466
	$ 24,998

(d) The Organization is involved in various legal actions that are within the normal course of operations. In the opinion of management, any resulting liabilities are not expected to have a material adverse effect on the financial position or net operations. As at August 31, 2022, there are currently no claims against the Organization.

15. Financial risks:

(a) Interest rate risk:

The Organization's credit facility has a variable interest rate subject to change at any time. As a result, the Organization is exposed to interest rate risk due to fluctuations in the variable interest rate. The Organization manages this risk by preparing budget and cash forecasts in order to reduce the variability of interest. There has been no change to the risk exposure from 2021.

15. Financial risks (continued):

(b) Market risk:

Market risk arises as a result of trading fixed income securities. Fluctuations in the market exposes the Organization to a risk of loss. The Organization mitigates this risk through controls to monitor and limit concentration levels, but is still subject to overall market changes. There has been no change to the risk exposure from 2021.

(c) Credit risk:

Credit risk arises as a result of the possibility that one party to a financial instrument will fail to discharge an obligation and cause the Organization to incur financial loss. The Organization manages this risk by diversifying its portfolio and by dealing with reputable and credit worthy counterparties. There has been no change to the risk exposure from 2021.

16. COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. This has resulted in governments worldwide, including the Canadian and Provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, caused material disruption to operations including suspension of revenue-generating events. During 2022, the Organization was eligible and applied for CEWS, CRHP and CERS government funding as described in note 2; the CEBA loan program as described in note 10 was utilized in 2021. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts, if prolonged, could result in potential future decreases in revenue.

17. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

DIRECTORY

Board of Directors

Catherine Mitro *(Chair)*

Peter von Schilling *(Vice Chair)*[1]

Cathy Alexander[2]

Shirantha Beddage[3]

Sandra Caswell[4]

Chris Churchill *(Secretary)*

Thompson Egbo-Egbo

Greg Gooding

Christopher Grossman

Marc Paris[5]

Bryan Snelson

[1] Chair, Human Resources Committee
[2] Chair, Audit Committee
[3] Chair, Education & Community Outreach Committee
[4] Chair, Governance & Nominating Committee
[5] Chair, Fundraising Committee

Management

Dana Wigle
General Manager

Steven Endicott
Fundraising Leader

Brad Barker
Music Director

Suzanne Belanger
Controller

Dani Elwell
Creative Strategist

Glenn Knight
Production Director

Tenny Nigoghossian
Acting Chief of Development

Mary Kate Dall
Fundraising Database Manager

Adam Feibel
Digital Manager

Contact

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Toronto, ON M6K 3H5

Tel: 416-595-0404

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Website: jazz.fm

Charitable Reg. No.
11886 4826 RR0001

On-Air Hosts

Brad Barker
Afternoon Drive

Heather Bambrick
The Heather Bambrick Show

David Basskin
The Night Fly

Jaymz Bee
Jazz in the City and *Jazz Gone Wild*

John Devenish
Dinner Jazz

Laura Fernandez
Café Latino

Raina Hersh
The Interval

Ronnie Littlejohn
Gumbo Kitchen

Danny Marks
BLUZ.FM and Beyond The Fringe

Joe Sealy
Joe's Jazz

Walter Venafro
Saturday Afternoon Jazz and *Sunday Drive*

Glen Woodcock
The Big Band Show

Rich Brown
New Origins

Alex Pangman
Swing Set

Dani Elwell
Voice Tracks

JAZZ.FM91

THANK YOU