
Financial statements of Farm Radio International

March 31, 2024

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Independent Auditor's Report

To the Members of
Farm Radio International

Opinion

We have audited the financial statements of Farm Radio International (the "Organization"), which comprise the balance sheet as at March 31, 2024, and the statements of revenue and expenses, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and the results of its 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 ("Canadian GAAS"). 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Organization 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
July 6, 2024

Farm Radio International


Balance sheet

As at March 31, 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents		1,890,733	1,010,455
Accounts receivable		126,987	93,696
Project receivables from funders	3	950,804	1,184,258
Prepaid expenses		18,596	41,917
		2,987,120	2,330,326
Capital assets			
	4	22,951	37,897
		3,010,071	2,368,223
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		195,405	329,636
Deferred contributions	6	1,908,881	1,146,690
		2,104,286	1,476,326
Net assets			
Unrestricted		754,209	725,375
Invested in capital assets		22,951	37,897
Internally restricted		128,625	128,625
		905,785	891,897
		3,010,071	2,368,223

The accompanying notes are an integral part of the financial statements.

Approved by the Board


_____, Director


_____, Director

Farm Radio International
Statement of revenue and expenses
Year ended March 31, 2024

	Notes	2024 \$	2023 \$
Revenue			
Program grants/contracts			
Global Affairs Canada (GAC)		4,575,177	4,272,521
Marie Stopes International (MSI)		1,220,605	1,191,484
IKEA FOUNDATION		754,861	772,570
GIZ		452,000	366,431
ALINEA		356,570	518,318
Other project grants	7	1,738,686	1,636,364
ALMA PRODUCTION		—	335,703
		9,097,899	9,093,391
Donations			
Individuals		889,235	1,099,480
Foundations		140,848	90,058
		1,030,083	1,189,538
Other Revenues			
Miscellaneous		53,088	17,577
		1,083,171	1,207,115
		10,181,070	10,300,506
Expenses			
Program	8		
Radio Projects, Resources and Innovations		8,309,598	8,350,980
Program management		284,842	302,432
Program development		212,938	303,271
		8,807,378	8,956,683
Fundraising and public engagement			
Fundraising	11	370,411	358,978
Public engagement		207,677	209,181
		578,088	568,159
Administration			
Rent and other administrative expenses	10	681,861	773,243
Governance		77,139	78,631
Amortization of capital assets		22,716	10,399
		781,716	862,273
		10,167,182	10,387,115
Excess (deficiency) of revenue over expenses		13,888	(86,609)

The accompanying notes are an integral part of the financial statements.

Farm Radio International**Statement of changes in net assets**

Year ended March 31, 2024

	Unrestricted	Invested in	Internally	2024	2023
	\$	capital assets	restricted	\$	\$
		\$	\$		
Balance, beginning of year	725,375	37,897	128,625	891,897	978,506
Excess (deficiency) of revenue over expenses	13,888	—	—	13,888	(86,609)
Amortization of capital assets	22,716	(22,716)	—	—	—
Capital asset addition	(7,770)	7,770	—	—	—
Balance, end of year	754,209	22,951	128,625	905,785	891,897

The accompanying notes are an integral part of the financial statements.

Farm Radio International
Statement of cash flows
Year ended March 31, 2024

	Notes	2024 \$	2023 \$
Operating activities			
Excess (deficiency) of revenue over expenses		13,888	(86,609)
Items not affecting cash			
Amortization of capital assets		22,716	10,399
Donated shares		(272,146)	(273,525)
Proceeds from disposal of donated shares		267,055	274,400
Gain on disposal of donated shares		5,091	(875)
Changes in deferred contributions		762,191	(1,627,242)
		798,795	(1,703,452)
Net change in non-cash operating working capital items	9	89,253	323,699
		888,048	(1,379,753)
Investing activity			
Purchase of capital asset		(7,770)	(19,627)
Financing activity			
Payment of bank loan		—	(20,000)
Net change in cash and cash equivalents		880,278	(1,419,380)
Cash and cash equivalents, beginning of year		1,010,455	2,429,835
Cash and cash equivalents, end of year		1,890,733	1,010,455
Consisting of			
Cash on deposit			
In Canada		1,467,315	826,668
Other countries		423,418	183,787
Cash and cash equivalents, end of year		1,890,733	1,010,455

The accompanying notes are an integral part of the financial statements.

1. Description of activities and status

Farm Radio International (the "Organization"), formerly known as Developing Countries Farm Radio Network, was founded in 1979 as an information exchange network which promotes sensible, sustainable development for small scale farmers. It gathers ideas about farming, nutrition and health and produces radio scripts and provides these and other resources to radio broadcasters in 38 countries in Sub-Saharan Africa. It also implements action research on best practices in farm radio.

The Organization was incorporated by letters patent as a corporation without share capital on February 11, 1986 under the Canada Corporations Act and continued on November 14, 2012 under the Canada Not-for-Profit Corporations Act. The Organization is a registered charitable organization under the Income Tax Act and as such is exempt from income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Organization in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost.

Revenue recognition

The Organization 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. Contributions and donations relating to specific projects extending beyond the end of the year are deferred to the extent that matching expenses have not been incurred. A loss is recognized on projects when total expenses are expected to exceed total contributions.

Project revenues are subject to conditions regarding the expenditure of the funds. The Organization's accounting records are subject to audit by certain funders to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

2. Significant accounting policies (continued)

Revenue recognition (continued)

A substantial number of volunteers have made significant contributions of their time to the Organization's programs. Since these services are not normally purchased by the Organization, their value cannot be readily estimated. Consequently, donated services are not recognized in the financial statements.

Program advances

Advances made to fund program expenses, which have not yet been reported as an expense, are reported as an asset.

Fair value

The fair value of cash equivalents, accounts receivables, project receivables from donors and accounts payable and accrued liabilities approximate their carrying value due to their short-term maturity. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value and the related risks of cash deposits held by host field offices are disclosed in Note 3.

Related party transactions

Related party transactions in the normal course of operations are recorded at exchange amounts.

Translation of foreign currencies

Transactions conducted in a foreign currency are translated into Canadian dollars at the average rates of exchange in effect for the period. Assets and liabilities denominated in foreign currencies are adjusted at the balance sheet date to reflect the exchange rates in effect at that date. Exchange gains and losses are recorded in the statement of revenue and expenses.

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives on a declining-basis using the following annual rates:

Vehicles	30%
Equipment	20%
Furniture	20%

The following category of capital assets is amortized over their estimated useful lives on a straight-line basis using the following annual rate:

Leasehold Improvement	25%
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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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management's estimates include the collectible amounts of receivables and the amount of accrued liabilities. Actual results could differ from these estimates.

2. Significant accounting policies (continued)

Internally restricted net assets

The Organization has internally restricted net assets for the future purchase of vehicles for overseas operations and for future contingencies including severance costs.

3. Project receivables from funders

	2024 \$	2023 \$
ALINEA	449,236	259,505
WUSC	155,155	128,257
GIZ	154,080	157,175
ACDI VOCA	81,525	—
CRS	70,480	—
AGRA	37,327	—
Others	3,001	459,778
Alma production	—	179,542
	950,804	1,184,257

4. Capital assets

	Cost \$	Accumulated amortization \$	2024 Net book value \$	2023 Net book value \$
Vehicles	71,041	71,041	—	8,931
Equipment	15,134	12,429	2,705	5,285
Computer	31,191	11,214	19,977	18,382
Furniture and fixtures	10,211	9,942	269	2,658
Leasehold improvement	23,749	23,749	—	2,642
	151,326	128,375	22,951	37,897

5. Line of credit

The Organization has a demand operating facility agreement with a Canadian bank, which allows it to borrow up to \$600,000 (\$600,000 in 2023) at an interest rate of prime plus 0.75% per annum, with a general security agreement. As at March 31, 2024 and 2023, the outstanding balance was nil.

6. Deferred contributions

Deferred contributions represent externally restricted contributions to fund program and related expenses of future periods.

	2024	2023
	\$	\$
Balance, beginning of year	1,146,690	2,773,932
Additions to deferred contributions	10,093,544	7,947,397
Change in accounts receivable	(233,454)	(481,247)
Revenue recognized in the period	(9,097,899)	(9,093,391)
Balance, end of the year	1,908,881	1,146,690

The deferred contribution balance is comprised of the following:

	2024	2023
	\$	\$
GAC	901,899	480,810
CODE	531,909	—
IKEA	154,265	252,124
BIOVISION	119,717	17,773
IDRC	60,390	—
MSI	35,434	—
IFAD	33,535	—
AGRA	10,995	—
Others	60,737	241,322
GIZ	—	154,661
	1,908,881	1,146,690

7. Other project grants

	2024	2023
	\$	\$
WUSC	430,133	191,784
ACDI-VOCA	338,436	278,085
AGRA	222,197	52,877
BIOVISION	190,995	217,045
CRS	70,480	—
IFAD	24,900	239,409
Others	461,545	566,892
MOFA	—	112,672
WFP	—	17,260
ENABLE *	—	(6,785)
Lively Minds *	—	(32,875)
	1,738,686	1,636,364

* The negative balance is due to the recognition of foreign exchange losses.

8. Overseas program expenses in Africa

In 2007, the Organization began implementing program activities in select countries of Africa, either through its own field offices or in partnership with other organizations located in those countries. As a result, a portion of program expenses are incurred and paid directly in several African countries, particularly for impact radio campaigns, action research and training programs. The following are program expenses incurred in the field by geographic location of spending during the year:

	2024	2023
	\$	\$
Africa program expenses		
Mali	1,022,888	940,130
Uganda	652,048	611,621
Burkina Faso	574,597	443,972
Ghana	540,893	488,344
Côte d'Ivoire	377,892	284,553
Nigeria	321,113	310,212
Ethiopia	239,877	341,120
Malawi	221,958	187,668
Tanzania	188,576	170,134
Zambia	172,498	103,975
Mozambique	51,447	69,755
Democratic Republic of Congo	7,346	13,148
Senegal	2,945	111,004
Togo	—	42,569
Sierra Leone	—	24,434
Total Africa program expenses	4,374,078	4,142,639
Canada program expenses	4,433,300	4,814,044
Total program expenses	8,807,378	8,956,683

Total program expenses incurred in Africa (field) represent approximately 50% (46% in 2023) of the total program expenses. Program expenses in Canada are paid directly by the Canadian office.

9. Changes in non-cash operating working capital items

	2024	2023
	\$	\$
Accounts receivable	(33,293)	13,366
Project receivables from donors	233,454	481,247
Prepaid expenses	23,322	11,633
Accounts Payable and Accrued liability	(134,230)	(72,547)
Deferred fundraising revenue	—	(110,000)
	89,253	323,699

10. Shared costs

WUSC provides the Organization with office infrastructure, project management and administrative services. Per the new agreement between FRI and WUSC, the management fee charged for these services for the year ended March 31, 2024 was \$133,540 (\$140,873 in 2023). WUSC also incurs expenses on behalf of the Organization such as payroll, telephone, and courier, which are reimbursed on a dollar-for-dollar basis with no mark up.

11. Allocation of fundraising costs

The Fundraising costs contains personnel cost, non-personnel cost, and shared cost.

Personnel costs

Personnel costs are allocated based on the time and effort of staff. Costs for staff that provide general support to all projects are treated as shared costs and are allocated as noted below.

Non-personnel costs

Non-personnel costs that are specifically identifiable with a particular cost center are directly charged to those cost centers. Those costs that are not specifically identifiable are treated as shared costs and are allocated as noted below.

Shared costs

Shared costs are allocated based on the annual approved budget.

Cost	2024		2023	
	\$	%	\$	%
Personnel Costs	223,232	60	207,576	58
Consultant/Honorarium	48,232	14	51,436	14
Printing and Photocopy	42,846	12	41,133	12
Postage	27,105	7	28,521	8
Bank Charges Admin	15,160	4	15,496	4
Support Fee	12,374	3	14,190	4
Other Fundraising Costs	1,462	—	626	—
	370,411	100	358,978	100

12. Interfund transfer

No transfers were made in the current year. In 2023, \$61,787 was transferred from unrestricted net assets to internally restricted net assets for future contingencies related to potential severances when projects terminate. No transfers were made in the current year.

13. Contingent liabilities

The Organization's accounting records are subject to audit by certain funders to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

14. Capital management

The Organization defines its capital as its net assets. The Organization's objectives, when managing capital, are to safeguard its ability to continue operations as a going concern so that it can continue to provide long-term benefits to its stakeholders.

The Organization's Board of Directors is responsible for overseeing the effective management of capital. The Board of Directors reviews and approves the Organization's financial budget annually.

The Organization is not subject to any externally imposed capital restrictions.

15. Comparative figures

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