



ACADEMY OF CANADIAN
CINEMA AND TELEVISION
ACADÉMIE CANADIENNE DU
CINÉMA ET DE LA TÉLÉVISION

**ACADEMY OF CANADIAN CINEMA & TELEVISION
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CONSOLIDATED FINANCIAL STATEMENTS
WITH AUDITORS' REPORT

APRIL 30, 2008

CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008

AUDITORS' REPORT

To the Members of

Academy of Canadian Cinema & Television

Académie canadienne du cinéma et de la télévision

We have audited the consolidated statement of financial position of **Academy of Canadian Cinema & Television - Académie canadienne du cinéma et de la télévision (the "Academy")** as at April 30, 2008, and the consolidated statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Academy as at April 30, 2008 and the results of its operations and the changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants

Toronto, Ontario

July 7, 2008

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At April 30, 2007

	2008	2007
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	122,119	424,598
Government grants and accounts receivable	562,267	484,879
Deposits and prepaid expenses	82,633	136,624
	767,019	1,046,101
Equipment (Note 5)	44,923	30,486
	811,942	1,076,587
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	158,868	132,199
Due to the Academy of Canadian Cinema & Television Foundation (Note 6)	88,196	78,196
Current portion of severance benefits payable (Note 7)	163,957	163,764
Deferred revenue	500,899	630,726
	911,920	1,004,885
Severance Benefits Payable (Note 7)	47,759	211,529
Total Liabilities	959,679	1,216,414
Net Assets		
Equipment	44,923	30,486
Unrestricted net assets	(192,660)	(170,313)
	(147,737)	(139,827)
	811,942	1,076,587

Approved on behalf of the Board:



CHAIR



TREASURER

See accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the year ended April 30, 2008

	Equipment	Unrestricted Net Assets	Total 2008	Total 2007
Balance, Beginning of the Year	\$ 30,486	\$ (170,313)	\$ (139,827)	\$ 59,819
Excess (Deficiency) of Revenues over Expenses	(14,482)	6,572	(7,910)	(199,646)
Purchase of Equipment	28,919	(28,919)	-	-
Balance, End of the Year	44,923	(192,660)	(147,737)	(139,827)

See accompanying notes.

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended April 30, 2008

	2008	2007
	\$	\$
Revenue		
Government grants - (Note 11)	1,467,054	987,086
Corporate sponsorships and donations	1,340,963	1,612,808
Entry fees	566,887	629,877
Award ticket sales	462,547	408,119
Membership fees	404,747	403,806
Licence fees	316,700	49,255
Other revenue	249,381	423,360
Advertising	100,578	108,392
Interest	3,097	11,068
	4,911,954	4,633,771
Expenses		
Awards operations	3,661,256	3,263,538
Membership administration and services	479,825	507,572
Other projects and activities	403,880	301,936
Awards broadcasts	350,421	361,431
Donation to Academy of Canadian Cinema & Television Foundation - (Note 6)	10,000	10,000
Amortization of equipment	14,482	13,647
	4,919,864	4,458,124
Excess (Deficiency) of Revenues over Expenses before Undernoted Item	(7,910)	175,647
Severance Benefits	-	375,293
Deficiency of Revenues over Expenses	(7,910)	(199,646)

See accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008

1. ORGANIZATION

Academy of Canadian Cinema & Television - Académie canadienne du cinéma et de la télévision (the "Academy") was incorporated by letters patent on June 27, 1988 under the Canada Corporations Act as a not-for-profit charitable corporation.

The objectives of the Academy are to stimulate exceptional creative work and to encourage higher standards of film making and television production in Canada through the presentation of annual awards, to foster educational activities, to organize and sponsor special events and to encourage public awareness of the film and television industries in Canada.

Pursuant to the Income Tax Act (Canada) the Academy is a tax-exempt registered charity.

2. SIGNIFICANT ACCOUNTING POLICIES

The Academy follows Canadian generally accepted accounting policies applicable to not-for-profit organizations. Significant policies include the following:

a) Consolidation

These consolidated financial statements include the accounts of the Academy's wholly-owned subsidiary ACCTV Productions Inc.

b) Fund Accounting

The Academy follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year when they are received or become receivable, are measurable and if collection is reasonably assured.

Restricted contributions are deferred until the restrictions are fulfilled.

Endowment contributions are recognized as direct increases in net assets in the current period.

Revenue and expenses related to the operational activities are reported in the unrestricted net assets fund. The equipment fund reports the cost, additions, and amortization related to the equipment of the Academy.

c) Revenue Recognition

Membership fees and award ticket sales are recognized as revenue when collected.

Corporate sponsorships, government grants, entry fees, licence fees and advertising revenues are recognized as revenue in the year the related expenses are incurred for the production and broadcast of the awards presentations.

Revenues received and expenses paid which pertain to future production and broadcast of the awards presentations are recorded as deferred revenue, and deposits and prepaid expenses, respectively.

d) Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and temporary investments with an initial maturity of three months or less. They are classified as held for trading and are initially measured at fair value on the settlement date. Changes in fair value are recognized in the consolidated statement of operations during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008

2. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Amortization of Equipment

Office furniture and equipment are recorded at cost. Amortization is provided annually on a straight-line basis at a rate of 20%.

f) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

g) Contributed Services

The Academy is dependent on the voluntary services of many of its members. Because of the difficulty involved in determining the fair value of the contributed services, they are not recognized in the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES

a) Financial Instruments

The Academy adopted the provisions of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, Financial Instruments - Recognition and Measurement; Section 3861, Financial Instruments - Disclosure and Presentation; and Section 3865, Hedges. These provisions became effective for the fiscal year beginning May 1, 2007. The adoption of these new financial instruments standards resulted in changes in the accounting for financial instruments. The comparative consolidated financial statements have not been restated. The principal changes in the accounting for financial instruments due to the adoption of these accounting standards are described below.

(i) Financial assets and financial liabilities

Under the new standards, financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Held for trading

Financial assets that are purchased with the intention of generating profits in the near term are classified as held for trading. These instruments are accounted for at fair value with the change in the fair value recognized in the consolidated statement of operations during the period. Cash and cash equivalents totalling \$424,598 were classified as held for trading on May 1, 2007.

Available-for-sale

Financial assets classified as available-for-sale are carried at fair value with the changes in fair value recorded as a change in net assets. When a decline in fair value is determined to be other than temporary, the cumulative loss included in the consolidated statement of net assets is removed and recognized in the consolidated statement of operations. Gains and losses realized on disposal of available-for-sale securities are recognized in the consolidated statement of operations. No assets were classified as available-for-sale on May 1, 2007.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008

3. CHANGES IN ACCOUNTING POLICIES - continued

Held-to-maturity

Securities that have a fixed maturity date and which the Academy has positive intention and the ability to hold to maturity are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method. No investments were classified as held-to-maturity on May 1, 2007.

Receivables

Government grants and accounts receivable are classified as loans and receivables, which are accounted for at amortized cost. This is consistent with the treatment under the prior accounting standards.

Payables

Accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost. This is consistent with the treatment under the prior accounting standards.

(ii) **Determination of fair value**

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by using valuation techniques which refer to observable market data using the specific identification method.

(iii) **Hedge accounting**

There was no impact on the Academy as a result of adopting CICA Handbook Section 3865.

b) **Accounting Changes**

Effective May 1, 2007, the Academy adopted the new CICA Handbook Section 1506, Accounting Changes, providing standards for accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The section also specifies that a change in accounting policy, if not required by a primary source of Canadian GAAP, should be made only if it results in more reliable and relevant information. Section 1506 includes disclosure rules regarding the description and the impact on the Academy's financial results of future accounting standards not yet applied. The adoption of the new section did not have an effect on the Academy's financial results.

4. RECENT PRONOUNCEMENTS

The following recent accounting pronouncements have been released but have not yet been adopted by the Academy.

a) **Financial Instruments - disclosures**

In October 2006, the CICA issued Section 3862, Financial Instruments - Disclosures, which supersedes Section 3861, Financial Instruments - Presentations and Disclosures. Section 3862 places an increased emphasis on disclosures about the risks associated with both recognized and unrecognized financial instruments and how these risks are managed. Section 3862 requires disclosures, by class of financial instrument that enables users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The quantitative disclosures must also include a sensitivity analysis for each type of market risk to which an entity is exposed, showing how the deficiency of revenues over expenses would have been affected by

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008

4. RECENT PRONOUNCEMENTS - continued

reasonably possible changes in the relevant risk variable. This standard is effective for annual financial statements relating to fiscal years beginning on or after October 1, 2007, specifically on May 1, 2008 for the Academy. The Academy does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

b) Financial Instruments - presentation

In October 2006, the AcSB approved Section 3863, Financial Instruments - Presentation, which replaces Section 3861, Financial Instruments - Disclosure and Presentation. The existing requirements on presentation of financial instruments have been carried forward unchanged to Section 3863, Financial Instruments - Presentation. This standard is effective for annual financial statements relating to fiscal years beginning on or after October 1, 2007, specifically May 1, 2008 for the Academy. The Academy does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

5. EQUIPMENT

Equipment is made up of the following:

	Cost	Accumulated Amortization	Net 2008	Net 2007
Office furniture and equipment	\$ 159,330	\$ 116,135	\$ 43,195	\$ 28,067
Leasehold improvements	36,719	34,991	1,728	2,419
	\$ 196,049	\$ 151,126	\$ 44,923	\$ 30,486

6. DUE TO ACADEMY OF CANADIAN CINEMA & TELEVISION FOUNDATION

The Academy has a financial obligation to fund the Academy of Canadian Cinema & Television Foundation (the "Foundation") in the amount of \$10,000 per annum, in order to support the Foundation's activities. During the year \$10,000 (2007 - \$10,000) has been committed. The amount due to the Foundation is unsecured and non-interest bearing with no fixed terms of repayment.

7. SEVERANCE BENEFITS PAYABLE

The severance benefits payable are to be paid to a former employee in equal payments over 27.5 months, ending August 15, 2009.

8. COMMITMENTS

The Academy leases office space under operating leases.
The future commitment is as follows:

2009	\$172,000
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9. REMUNERATION OF EXECUTIVE AND ADMINISTRATIVE STAFF

The aggregate remuneration and benefits paid to the executive officer and the Academy's administrative staff was \$1,456,438 (2007 - \$1,873,479).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008

10. RISK ASSESSMENT

The Academy's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Academy mitigates its credit risk by placing its cash and cash equivalents with high quality credit institutions. At times, such investments may be in excess of the CDIC insurance limit.

Unless otherwise indicated it is management's opinion that the Academy is not exposed to significant interest or currency risk from its financial instruments.

11. GOVERNMENT GRANTS

	2008	2007
Grants received in prior years	\$ -	\$ 56,000
Grants received in current year:		
Telefilm Canada	865,000	650,000
Canadian Heritage-Multiculturalism	250,437	114,215
Province of Saskatchewan	150,000	-
Société de Développement des Entreprises Culturelles, Québec	86,000	117,000
Sask Film	50,000	-
City of Regina	50,000	-
Human Resources Development Corporation	3,367	3,371
Manitoba Film and Sound Development Corporation	3,000	1,500
Nova Scotia Film	2,500	-
New Brunswick Film	2,500	-
Ontario Media Development Corporation	2,500	-
British Columbia Film	750	35,000
BC Film Commission	500	10,000
Newfoundland & Labrador Film	500	-
	1,467,054	931,086
	\$ 1,467,054	\$ 987,086

12. CREDIT FACILITY

The Academy has available an operating line of credit of \$175,000, which, when drawn upon, bears interest at the bank's prime rate plus 2%. The operating line is secured by a general security agreement over all the Academy's assets.

13. COMPARATIVE FIGURES

Certain reclassifications of the prior year's amounts have been made to facilitate comparison with the current year.

The prior year's amounts which are presented for comparative purposes only, were examined and reported on by another firm of Chartered Accountants.

14. FINANCIAL STATEMENT PRESENTATION

A consolidated statement of cash flows has not been presented as it is not considered meaningful.



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