

FRIENDS OF CANADIAN BROADCASTING

FINANCIAL STATEMENTS

DECEMBER 31, 2008

Hilborn Ellis Grant LLP
Chartered Accountants
Toronto, Ontario





Hilborn Ellis Grant LLP
Chartered Accountants

Auditors' Report

To the Steering Committee of
Friends of Canadian Broadcasting

We have audited the statement of financial position of **Friends of Canadian Broadcasting** as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as noted in the following paragraph, 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 common with many non-profit organizations, the organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenditures, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
March 24, 2009

Chartered Accountants
Licensed Public Accountants



FRIENDS OF CANADIAN BROADCASTING

Statement of Financial Position

December 31	2008 \$	2007 \$
ASSETS		
Current assets		
Cash and term deposit	151,828	149,353
Accounts receivable	160,887	139,706
	<u>312,715</u>	<u>289,059</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	202,738	178,377
NET ASSETS	<u>109,977</u>	<u>110,682</u>
	<u>312,715</u>	<u>289,059</u>

Approved by the Steering Committee:

Member

Member



FRIENDS OF CANADIAN BROADCASTING

Statement of Operations

Year ended December 31	2008 \$	2007 \$
Revenues		
New donations	206,032	178,661
Recurring donations	1,625,164	1,630,810
Other	132,875	74,158
	<u>1,964,071</u>	<u>1,883,629</u>
Expenditures		
Communication - Media	324,155	340,992
Communication - Supporters	463,774	464,526
Communication - General public	452,481	464,492
Management fees	78,750	73,935
Office services	182,406	193,348
Records	126,565	124,623
Research	176,245	181,016
Steering committee	41,556	27,581
CRTC hearings	5,206	7,511
Advertising	8,647	523
Keep it Canadian Campaign	34,846	-
CBC Radio Two Campaign	56,275	-
Election Project	13,870	-
	<u>1,964,776</u>	<u>1,878,547</u>
Excess of revenues over expenditures (expenditures over revenues) for year	<u>(705)</u>	<u>5,082</u>

Statement of Changes in Net Assets

Year ended December 31	2008 \$	2007 \$
Net assets, beginning of year	110,682	105,600
Excess of revenues over expenditures (expenditures over revenues) for year	<u>(705)</u>	<u>5,082</u>
Net assets, end of year	<u>109,977</u>	<u>110,682</u>



FRIENDS OF CANADIAN BROADCASTING

Statement of Cash Flows

Year ended December 31	2008 \$	2007 \$
Cash flows from operating activities		
Excess of revenues over expenditures (expenditures over revenues) for year	(705)	5,082
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	(21,181)	63,657
Increase (decrease) in accounts payable and accrued liabilities	24,361	(12,609)
Increase in cash and term deposit	2,475	56,130
Cash and term deposit, beginning of year	149,353	93,223
Cash and term deposit, end of year	151,828	149,353
Cash and term deposit consists of:		
Cash	146,441	143,966
Term deposit	5,387	5,387
	151,828	149,353
Supplementary Disclosure of Cash Flow Information		
	2008 \$	2007 \$
Interest paid	-	-



FRIENDS OF CANADIAN BROADCASTING

Notes to Financial Statements

December 31, 2008

1. **General**

Friends of Canadian Broadcasting was incorporated on August 25, 1987 as a non-profit organization. The mission of Friends of Canadian Broadcasting is to enhance the quality and quantity of Canadian programming in the audio-visual system. The organization is exempt from income tax by virtue of Section 149 (1)(1) of the Income Tax Act.

2. **Significant accounting policies**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) **Significant accounting policies adopted during the year**

During the year, the organization adopted new standards recommended in the Canadian Institute of Chartered Accountants (CICA) Handbook on capital disclosures, Section 1535.

Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what is considered capital and whether an entity has complied with any capital requirements and, when it has not complied, the consequences of such non-compliance. Implementation of this standard did not impact the organization's financial position or the results of its operations (note 3).

(b) **Revenue recognition**

Revenues relating to fund-raising activities in the current year that are received prior to February 1 of the subsequent year are accrued as at the year end.

(c) **Management estimates**

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

(d) **Financial instruments**

The carrying amount of the organization's financial instruments, consisting of cash and term deposit, accounts receivable and accounts payable and accrued liabilities, approximate their fair value unless otherwise noted.

It is management's opinion that, unless otherwise noted, the organization is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.



Notes to Financial Statements (continued)

December 31, 2008

3. **Capital disclosures**

The organization has adopted the requirements of CICA Handbook Section 1535 with respect to capital disclosures as follows. The organization's objectives in managing its capital, which it defines as its net assets, are to maintain a sufficient level to provide for normal operating requirements on an ongoing basis and to continue its mission as disclosed in note 1. The organization strictly monitors its capital in order to ensure it has sufficient revenue before committing to expenditures.

4. **Future Accounting Changes**

The Accounting Standards Board has issued a new accounting standard that provides criteria for the allocation of expenses and sets out disclosure requirements relating to allocations when an organization classifies its expenses by function. The standard provides that, when allocations of fundraising and general support expenses have been made to other functions, the accounting policy disclosure note should explain the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis on which such allocations have been made. In addition, the amounts allocated from each of fundraising and general support expenses, and the amounts and the functions to which they have been allocated, should be disclosed. The standard is applicable for fiscal years beginning on or after January 1, 2009.





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Hilborn Ellis Grant LLP
Chartered Accountants
Since 1930

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