

TELEFILM
C A N A D A

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CHOICE**

QUARTERLY FINANCIAL REPORT

PERIOD ENDED JUNE 30, 2022

First quarter of fiscal 2022-2023

Published August 30, 2022

TELEFILM.CA    



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1. TELEFILM

Telefilm Canada is a federal Crown corporation reporting to Parliament through the Department of Canadian Heritage. Telefilm's vision is: Telefilm and Canada, *Partners of choice*.

Our mission

Telefilm Canada's mission is to foster and promote the development of the Canadian audiovisual industry both in Canada and around the world.

What we do

Telefilm Canada is, first and foremost, a team dedicated to the success of the Canadian audiovisual industry. Whether it be stimulating demand for Canadian productions, improving access to these productions, or promoting and exporting Canadian talent, Telefilm plays a key role in supporting the industry and the careers of the thousands of artisans the industry encompasses.

We are also responsible for making recommendations to the Minister of Canadian Heritage on which projects can be recognized as audiovisual treaty coproductions. Finally, we also administer the Canada Media Fund's (CMF) funding programs. Headquartered in Montreal, we serve our clients through four offices located in Vancouver, Toronto, Montreal and Halifax.

In July 2022, Telefilm announced its new strategic plan *Partner of choice*¹ for a period of 18 months focused on remaining agile in a time of modernization, and continuity as the industry stabilizes from the effects of the COVID-19 pandemic. The vision put forward lies on three pillars:

- Continue to support a sustainable and inclusive audiovisual ecosystem;
- Amplify our internal expertise and optimize our operational capacity;
- Solidify and attract new funding sources.

2. QUARTERLY FINANCIAL REPORT

This quarterly financial report complies with all requirements of the Standard on *Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Report*² established by the Treasury Board Secretariat and with the *Canadian Public Sector Accounting Standards (CPSAS)*. There is no requirement for an audit or review of the financial statements included in this quarterly financial report and as such the report has not been reviewed or audited by external auditors.

1 : <https://telefilm.ca/wp-content/uploads/strategic-plan-2022en.pdf>

2 : <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32665>



3. IMPORTANT CHANGES

Programs

The Government of Canada announced details on the Canadian Arts and Culture Recovery Program (CACRP) for which the Corporation will receive \$9.2 million in 2022-2023 to assist two main client groups: movie theatre operators and film distributors whose business operations have been affected by public health advisories requiring complete closure or reduced capacity, which has had an impact on their financial capabilities.

The Corporation continues to update the **Promotion Program** by adjusting the evaluation criteria for the various components to better reflect the decision-making process and to increase transparency. The changes also take into account the amounts to be paid under the Reopening Fund announced last year. During the quarter, the Corporation relaunched the **Development Program** and changes were made to the eligibility and Corporation's financial participation.

Activities

Canada celebrated its participation in Cannes after a two-year hiatus. The Corporation returned with an eco-friendly Canada Pavilion, a renewed partnership with *Cannes Docs-in-Progress*, and was one of the first partners of the Impact Lab!. Two feature films also premiered at the festival: Toronto's David Cronenberg's *Crimes of the Future* and Quebec's Charlotte Le Bon's first feature, *Falcon Lake*.

The Corporation, in partnership with the Canada Media Fund and Accessible Media Inc. (AMI), announced the opening of the Disability Screen Office. The goal of the Office is to increase the accurate and meaningful portrayal of persons with disabilities, to identify and remove barriers to accessibility, and to empower the creative voice of Canadians with disabilities.

Organized thanks to a partnership between the Canadian Race Relations Foundation, the National Film Board of Canada and the Corporation, the "Authentic Asian Canadian Storytelling in Film" panel focused on the nature of Asian representation. The panel featured Asian filmmakers Sook-Yin Lee, Warren Sonoda, Agam Dashi and Sandamini Rankaduwa, who are campaigning to end prejudicial language in the industry.

The Corporation has created an Authentic Storytelling Subcommittee and launched a survey to gather feedback on the role the Corporation can play in implementing best practices in this area. In addition, the Corporation released its "Code of Conduct for Business Partners" as part of its commitment to fostering a healthy ecosystem that thrives in a culture of mutual respect, dignity, integrity and inclusiveness. The Code recognizes that there is a collective responsibility for creating and maintaining a safe environment.

The Corporation launched an environmental awareness survey in June in partnership with the AQPM, the Black Screen Office (BSO), the Indigenous Screen Office (ISO), Radio-Canada, the Canada Media Fund and the National Film Board of Canada. This survey is aimed at content creators and will help the Corporation determine the industry's priorities and expectations with regard to environmental responsibility.

With 11 Canadian films in the official selection of the Annecy Festival, including *Saules aveugles*, *femme endormie*, which garnered the Jury Mention, this was a banner year for Canada. Additionally, the Corporation hosted a reception and panel discussion on Canada's innovative audience-building methods.

In Banff this year, the Corporation proudly supported two panels : Being Counted: Canadian Race-Based Audience Survey and Sustainability Production: It Pays to Go Green. The panel Being Counted: Canadian Race-Based Audience Survey was held in partnership with the Black Screen Office (BSO) and the discussion focused on the BSO's research and systemic issues in the film industry. Tips for creating a viable production industry were presented in the panel Sustainability Production: It Pays to Go Green.

At Sunny Side of the Doc this year, three Canadian films were part of the official #NewVoices selection, including Joanne Popinska's *Jacob's Journey*, which took home the Best Immersive Experiences Pitch Award as well as the INVR.Space Award.



3. IMPORTANT CHANGES (CONT.)

Personnel

The Corporation promoted Maria-Anita Damiani to Regional Director, Feature Films for the Quebec Region and hired Kim Guise as Regional Director, Feature Films for the Western Regions.

In July, the Corporation announced that Francesca Accinelli has been appointed Acting Executive Director & CEO. This interim appointment will be effective September 10, 2022, at which time Christa Dickenson will leave the Corporation.



4. GOVERNANCE AND MEMBERS OF THE BOARD

Governance of the Corporation is carried out through activities of the Board and its three subcommittees:

- Audit and Finance Committee;
- Nominating, Evaluation and Governance Committee;
- Communications and Public and Governmental Affairs Committee.

Governance is also ensured by the Executive Leadership Team, chaired by the Executive Director and CEO, and its subcommittees:

- Operational Committee;
- Human Resources Committee;
- Risk Management Committee;
- Information Security Committee;
- Appeal Committee.

During the quarter, the Board of Directors met four times and the Nominating, Evaluation and Governance Committee met three times. The Audit and Finance Committee and the Communications and Public and Governmental Affairs Committee met once. The executive leadership team met twelve times.

5. RISK MANAGEMENT

The Corporation manages risk through two committees: the Board of Directors and the Risk Management Committee. An assessment of risks as well as the impacts and mitigation measures is conducted at least every three months by the Risk Management Committee.

6. UNADJUSTED DIFFERENCES

Management strives to produce relevant financial information in compliance with CPSAS and within the deadline established by the Receiver General for Canada, namely five business days after the end of the quarter. Accordingly, certain cut-off procedures applicable to the accounts payable and receivable cycles as well as certain adjustments concerning employee future benefits liability, were not carried out at June 30, 2022. Management deems the importance of these adjustments to be immaterial.



7. ANALYSIS OF QUARTERLY RESULTS AND FINANCIAL POSITION

Please note that amounts in the analysis tables are presented in thousands of dollars. Variances that require explanation are based on thresholds defined by the Audit and Finance Committee. The analysis tables present the initial budget approved by the Board of Directors on March 11, 2022, and the revised budget approved by the Board of Directors on June 17, 2022. For more details regarding budget adjustments, please refer to note 2 to the financial statements.

Assistance Expenses

Overall, assistance expenses are comparable to the budget and the comparative quarter.

For the three-month period ended June 30, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Production program	75,675	75,675	1,000	1,000	1,709	4,039	(709)	(71)	(2,330)	(58)	1
Administration of recommendations for audiovisual coproduction	379	379	104	104	106	98	(2)	(2)	8	8	
Development program	10,000	10,000	-	-	(64)	-	64	-	(64)	-	2
Community engagement contributions	400	400	-	-	-	100	-	-	(100)	(100)	3
Theatrical documentary program	4,300	4,300	-	-	-	-	-	-	-	-	
Strategics Contributions	4,000	4,000	-	-	-	-	-	-	-	-	
Talent to Watch program	3,475	3,475	-	-	-	-	-	-	-	-	
Contribution to the Council of Europe's cultural fund, Eurimages	1,500	1,500	-	-	-	-	-	-	-	-	
	99,729	99,729	1,104	1,104	1,751	4,237	(647)	(59)	(2,486)	(59)	
Promotion program and national and international promotional activities	24,698	24,698	4,108	4,108	3,284	919	824	20	2,365	257	4
Marketing program	9,636	9,636	750	750	844	726	(94)	(13)	118	16	5
International Promotion Program	1,200	1,200	250	250	238	-	12	5	238	-	6
Theatrical exhibition program	6,314	11,054	-	-	-	-	-	-	-	-	
Theatrical Distribution Compensation Program	-	3,940	-	-	-	-	-	-	-	-	
Export assistance program	800	800	-	-	-	46	-	-	(46)	(100)	
Contingency	225	225	-	-	-	-	-	-	-	-	
	42,873	51,553	5,108	5,108	4,366	1,691	742	15	2,675	158	
	142,602	151,282	6,212	6,212	6,117	5,928	95	2	189	3	
Short-Term Compensation Fund	-	-	-	-	70	-	(70)	-	70	-	7
	142,602	151,282	6,212	6,212	6,187	5,928	25	-	259	4	



7. ANALYSIS OF QUARTERLY RESULTS AND FINANCIAL POSITION (CONT.)

Assistance Expenses (Cont.)

1	Production program	Current period ↗ than budget	\$709	Relate to contracts funded as part of the Harold Greenberg Fund's French-language program.
		Current period ↘ than previous	\$2,330	Primarily due to the signing of a project worth \$3.3 million in the comparative quarter.
2	Development program	Current period ↘ than budget	\$64	Like last year, the program will open in the second quarter. The variance is due to five negative amendments.
		Current period ↘ than previous	\$64	
3	Community engagement contributions	Current period ↘ than previous	\$100	The variance is temporary. The contracts will be signed before the end of the fiscal year.
4	Promotion program and national and international promotional activities	Current period ↘ than budget	\$824	Temporary variance related to prepaid expenses to be recognized in Statement of Operations and time lag for costs related to international events.
		Current period ↗ than previous	\$2,365	In 2022-23 we are seeing a return to in-person attendance. During the first quarter of the previous fiscal year, several international markets and events were held virtually or were moved to a later date, whereas we are seeing a return to face-to-face events. Moreover, the two-year Recovery and Reopening Fund was announced by the federal government at the end of June 2021.
5	Marketing program	Current period ↗ than budget	\$94	Particularly high level of activity for a first quarter – the highest in the last five years.
		Current period ↗ than previous	\$118	Amounts funded per project have increased and one distributor has two films funded, which alone accounts for \$0.6 million.
6	International Promotion Program	Current period ↗ than previous	\$238	Tremendous start to the year for Canadian cinema as 38 films were screened at various international festivals.
7	Short-Term Compensation Fund	Current period ↗ than budget	\$70	No budget is planned since the amount of compensation due to COVID-19 is impossible to predict.
		Current period ↗ than previous	\$70	



7. ANALYSIS OF QUARTERLY RESULTS AND FINANCIAL POSITION (CONT.)

Operating and Administrative Expenses

Operating and administrative expenses were lower than the revised budget and higher than the comparative period.

For the three-month period ended June 30, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Salaries and employee benefits	25,025	25,025	6,587	6,587	6,373	5,458	214	3	915	17	1
Information technology	1,747	1,747	1,033	1,033	1,040	994	(7)	(1)	46	5	
Professional services	3,814	4,334	1,006	1,006	940	490	66	7	450	92	2
Rent, taxes, heating and electricity	2,176	2,176	534	534	562	515	(28)	(5)	47	9	
Office expenses	950	950	264	350	357	205	(7)	(2)	152	74	3
Amortization of tangible capital assets	1,077	1,077	269	269	277	252	(8)	(3)	25	10	4
Travel	801	801	201	201	133	-	68	34	133	-	5
Publications	188	188	63	63	72	93	(9)	(14)	(21)	(23)	
	35,778	36,298	9,957	10,043	9,754	8,007	289	3	1,747	22	

1	Salaries and employee benefits	Current period ↗ than previous	\$915 The upsurge is due to addition of positions to expand organizational capacity as budgeted and annual salary increases.
2	Professional services	Current period ↗ than previous	\$450 The Corporation used consulting services for the delivery of the programs. Different billing pattern for internal audit, payroll outsourcing and advisory committees.
3	Office expenses	Current period ↗ than previous	\$152 Increase is due to non-recurring expenses for the return to the office, the purchase of computer equipment for hiring new resources and the return to face-to-face employee meetings. The analysis of the capitalization will be done during the year.
4	Amortization of tangible capital assets	Current period ↗ than previous	\$25 Amortization linked to the capitalization of computer and technological equipment and the development of the Appian platform during the last fiscal year.
5	Travel	Current period ↘ than budget	\$68 Some planned travel will take place in subsequent quarters and temporary variance related to travel expenses to be recorded.
		Current period ↗ than previous	\$133 Return of participation in national and international face-to-face events.



7. ANALYSIS OF QUARTERLY RESULTS AND FINANCIAL POSITION (CONT.)

Government Funding and Revenues

For the three-month period ended June 30, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Parliamentary appropriation	153,908	163,108	14,162	14,162	13,494	11,302	(668)	(5)	2,192	19	1
Management fees from the Canada Media Fund	10,686	10,686	2,671	2,671	2,690	2,647	19	1	43	2	
Harold Greenberg Fund	-	-	-	-	575	-	575	-	575	-	2
Investment revenues and recoveries	5,000	5,000	300	300	391	457	91	30	(66)	(14)	3
Contributions to promotional support activities	325	325	50	50	136	2	86	172	134	6,700	4
Interest and other revenues	40	40	10	10	41	21	31	310	20	95	5
Talent Fund	1,100	1,100	75	75	12	92	(63)	(84)	(80)	(87)	6
	171,059	180,259	17,268	17,268	17,339	14,521	71	-	2,818	19	

1	Parliamentary appropriation	Current period ↗ than previous	\$2,192	Increase in government funding mostly related to the Recovery and Reopening Funds.
2	Harold Greenberg Fund	Current period ↗ than budget Current period ↗ than previous	\$575 \$575	Two contracts were signed to support productions funded by the Harold Greenberg Fund's French-language program.
3	Investment revenues and recoveries	Current period ↗ than budget Current period ↘ than previous	\$91 \$66	Major increase in recoupment of development advances. Revenues for the comparative quarter were boosted by a project in production that made significant remittances, and which alone accounted for nearly 30% of total revenues.
4	Contributions to promotional support activities	Current period ↗ than budget Current period ↗ than previous	\$86 \$134	The variance is due to unanticipated revenues for an international event. Return of participation in national and international face-to-face events.
5	Interest and other revenues	Current period ↗ than budget	\$31	The variance is due to the billing of fees under the Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF), which was not included in the budget given the Corporation's limited history.



7. ANALYSIS OF QUARTERLY RESULTS AND FINANCIAL POSITION (CONT.)

Government Funding and Revenues (Cont.)

6 Talent Fund	Current period ↘ than budget	\$63	The Corporation regularly solicits several donors for their donations and responses are expected.
	Current period ↘ than previous	\$80	A large corporate donation in the comparative quarter that comprised 82% of total donations for that period. The number of donors and the amount donated per donor are on the decline.



7. ANALYSIS OF QUARTERLY RESULTS AND FINANCIAL POSITION (CONT.)

Financial position

	Actual		Variance		
	June 30 2022	June 30 2021	\$	%	
Financial assets					
Due from Consolidated Revenue Fund	71,064	70,579	485	1	
Cash - Talent Fund	925	422	503	119	1
Cash - Harold Greenberg Fund	705	-	705	-	2
Accounts receivable	4,698	748	3,950	528	3
Receivable from the Canada Media Fund	44	-	44	-	
	77,436	71,749	5,687	8	
Liabilities					
Accounts payable and accrued liabilities	3,332	2,778	554	20	4
Deferred revenues - Talent Fund	845	117	728	622	5
Deferred revenues - Harold Greenberg Fund	585	-	585	-	6
Financial assistance program obligations	37,539	36,038	1,501	4	
Liabilities for employee future benefits	831	789	42	5	
Net financial assets	34,304	32,027	2,277	7	
Non-financial assets					
Tangible capital assets	4,923	5,073	(150)	(3)	
Prepaid expenses	3,179	285	2,894	1,015	7
Accumulated surplus	42,406	37,385	5,021	13	

- 1 **Cash - Talent Fund** ↗ \$503 A higher balance resulting from the Harold Greenberg Fund (HGF) contribution received last December and not yet used for its intended purposes. Furthermore, last April, the Corporation received a significant donation from the HGF.
- 2 **Cash - Harold Greenberg Fund** ↗ \$705 Balance represents the amount to be paid as a result of taking over the responsibility in December 2021 for five productions funded under the HGF French-language program.
- 3 **Accounts receivable** ↗ \$3,950 Delays by Revenu Québec in remitting taxes receivable for the March 2022 returns of a value of \$3,5 millions.
- 4 **Accounts payable and accrued liabilities** ↗ \$554 Increase in payroll costs.
- 5 **Deferred revenues - Talent Fund** ↗ \$728 A higher balance resulting from the Harold Greenberg Fund (HGF) contributions not yet used for its intended purposes.
- 6 **Deferred revenues - Harold Greenberg Fund** ↗ \$585 Balance resulting from assuming responsibility for two productions financed under the Harold Greenberg Fund's French-language program.



7. ANALYSIS OF QUARTERLY RESULTS AND FINANCIAL POSITION (CONT.)

Financial position (Cont.)

- 7 **Prepaid expenses** ↗ \$2,894 Temporary variance in the use of certain program and administrative expenses applicable to fiscal year 2022-2023.



8. RECONCILIATION OF COST OF OPERATIONS AND PARLIAMENTARY APPROPRIATION

The Corporation receives most of its funding through an annual Parliamentary appropriation. Items recognized in the Statement of Operations and the Statement of Financial Position may have been funded through a Parliamentary appropriation approved in either a previous or the current fiscal year. Some of the items in the reconciliation calculation cannot be linked directly to the financial statements, since the Parliamentary appropriation is calculated using a modified cash basis accounting method.

<i>In thousands of Canadian dollars</i>	June 30 2022	June 30 2021
Cost of operations	15,941	13,935
Adjustment affecting the use of Parliamentary appropriation:		
Assistance expenses adjustment where Parliamentary appropriation eligibility criteria have been met	3,004	986
Assistance expenses funded by the Talent Fund	-	(29)
Contributions to promotional support activities	(136)	(2)
Prepaid expenses	(1,932)	(664)
Operating expenses funded by the CMF	(2,690)	(2,647)
Assistance expenses funded by the HGF	(489)	-
Other administrative adjustments	32	-
Salary recovery for payment in arrears transition	-	(14)
Amortization	(277)	(252)
Employee future benefits	41	(11)
Use of Parliamentary appropriation at June 30	13,494	11,302
Parliamentary appropriation planned for subsequent quarters	149,614	116,054
Parliamentary appropriation planned	163,108	127,356

The amount of the parliamentary appropriation provided is derived from the 2022-2023 Main Estimates and includes \$2,000,000 for the administration of the Short-Term Compensation Fund in Supplementary Estimates (A) and \$9,200,000 for the Canada Arts and Culture Recovery Program (CACRP) announced in late June by the federal government and expected in Supplementary Estimates (B) in December.



9. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2022

Statement of Management Responsibility

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the *Treasury Board of Canada's* Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations, change in net financial assets and cash flows of the Corporation, as at the date of and for the periods presented in the quarterly financial statements.

A handwritten signature in black ink that reads "Christa Dickenson".

Christa Dickenson
Executive Director & CEO

A handwritten signature in blue ink that reads "Patrick Bédard".

Patrick Bédard, CPA, MBA
Vice President, Finance

Montreal, Canada
August 30, 2022



Statement of Operations

For the three-month period ended June 30, 2022

<i>In thousands of Canadian dollars</i>	Schedule	June 30, Budget	June 30, 2022	June 30, 2021
Assistance expenses				
Development of the Canadian audiovisual industry				
Production program		1,000	1,709	4,039
Administration of recommendations for audiovisual treaty coproduction		104	106	98
Development program		-	(64)	-
Community engagement contributions		-	-	100
		1,104	1,751	4,237
Promotional support in Canada and abroad				
Promotion program and national and international promotional activities		4,108	3,284	919
Marketing program		750	844	726
International Promotion Program		250	238	-
Export assistance program		-	-	46
		5,108	4,366	1,691
Short-Term Compensation Fund		-	70	-
		6,212	6,187	5,928
Operating and administrative expenses	A	9,957	9,754	8,007
Cost of operations		16,169	15,941	13,935
Revenues				
Management fees from the Canada Media Fund		2,671	2,690	2,647
Harold Greenberg Fund		-	575	-
Investment revenues and recoveries		300	391	457
Contributions to promotional support activities		50	136	2
Interest and other revenues		10	41	21
Talent Fund		75	12	92
		3,106	3,845	3,219
Net cost of operations before government funding		13,063	12,096	10,716
Government funding				
Parliamentary appropriation		14,162	13,494	11,302
Surplus		1,099	1,398	586
Accumulated surplus, beginning of period		41,008	41,008	36,799
Accumulated surplus, end of period		42,107	42,406	37,385

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



Statement of Financial Position

<i>In thousands of Canadian dollars</i>	June 30, 2022	March 31, 2022
Financial assets		
Due from Consolidated Revenue Fund	71,064	70,873
Cash - Talent Fund	925	667
Cash - Harold Greenberg Fund	705	1,194
Accounts receivable	4,698	5,405
Receivable from the Canada Media Fund	44	844
	77,436	78,983
Liabilities		
Accounts payable and accrued liabilities	3,332	2,700
Deferred revenues - Talent Fund	845	600
Deferred revenues - Harold Greenberg Fund	585	1,160
Financial assistance program obligations	37,539	42,954
Liabilities for employee future benefits	831	872
	43,132	48,286
Net financial assets	34,304	30,697
Non-financial assets		
Tangible capital assets	4,923	5,200
Prepaid expenses	3,179	5,111
	8,102	10,311
Accumulated surplus	42,406	41,008

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



Statement of Changes in Net Financial Assets

For the three-month period ended June 30, 2022

<i>In thousands of Canadian dollars</i>	June 30, Budget	June 30, 2022	March 31, 2022
Surplus	1,099	1,398	4,209
Tangible capital asset transactions			
Amortization	269	277	1,040
Acquisitions	(50)	-	(918)
Write-down of tangible capital assets	-	-	3
Other transactions			
Acquisitions of prepaid expenses	(175)	-	(5,111)
Use of prepaid expenses	2,482	1,932	949
Increase in net financial assets	3,625	3,607	172
Net financial assets, beginning of year	30,697	30,697	30,525
Net financial assets, end of period	34,322	34,304	30,697

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



Statement of Cash Flows

For the three-month period ended June 30, 2022

<i>In thousands of Canadian dollars</i>	June 30, 2022	June 30, 2021
Operating activities		
Surplus	1,398	586
Items not affecting cash:		
Increase (decrease) in liabilities for employee future benefits	(41)	11
Amortization of tangible capital assets	277	252
	1,634	849
Changes in non-cash financial items:		
Decrease in accounts receivable	707	1,860
Decrease in receivable from the Canada Media Fund	800	671
Increase (decrease) in accounts payable and accrued liabilities	632	(202)
Increase in deferred revenues - Talent Fund	245	-
Decrease in deferred revenues - Harold Greenberg Fund	(575)	-
Decrease of financial assistance program obligations	(5,415)	(1,192)
Decrease in prepaid expenses	1,932	664
	(40)	2,650
Capital activities		
Cash outflows to acquire tangible capital assets	-	-
Increase (decrease) in due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund	(40)	2,650
Due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund, beginning of year	72,734	68,351
Due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund, end of period	72,694	71,001
Additional information presented in operating activities		
Variance in accounts payable and accrued liabilities for capital projects	-	-

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



Notes to the Quarterly Financial Statements

1. Basis of financial statements presentation

These unaudited quarterly financial statements have been prepared by the Corporation's Management in accordance with the *Directive on Accounting Standards : GC 5200 Crown Corporations Quarterly Financial Report* established by the Treasury Board Secretariat and with the *Canadian Public Sector Accounting Standards (CPSAS)*. They must be read in conjunction with the most recent annual audited financial statements as at March 31, 2022. The significant accounting policies used in these quarterly financial statements are similar to those used in the annual financial statements of March 31, 2022, which will be available in the third quarter.

2. Budget information

Budget data by period provided for comparison purposes in the financial statements results from the initial annual budget which was approved by the Board of Directors on March 11, 2022. As part of the analysis of the results of the quarterly financial report, the Corporation presents the initial annual budget approved by the Board of Directors on March 11, 2022 and also the revised annual budget approved by the Board of Directors on June 17, 2022. These budgetary data are then broken down by period. The revised annual budget derives from an additional government funding of \$9,200,000 from the Canada Arts and Culture Recovery Program (CACRP). The following table shows the adjustments of the initial annual budget.

	Initial annual Budget	Adjustments	Revised annual Budget
Production program	75,675	-	75,675
Development program	10,000	-	10,000
Theatrical documentary program	4,300	-	4,300
Strategics Contributions	4,000	-	4,000
Talent to Watch program	3,475	-	3,475
Contribution to the Council of Europe's cultural fund, Eurimages	1,500	-	1,500
Administration of recommendations for audiovisual coproduction	379	-	379
Community engagement contributions	400	-	400
	99,729	-	99,729
Promotion program and national and international promotional activities	24,698	-	24,698
Marketing program	9,636	-	9,636
Theatrical exhibition program	6,314	4,740	11,054
International Promotion Program	1,200	-	1,200
Export assistance program	800	-	800
Contingency	225	-	225
Theatrical Distribution Compensation Program	-	3,940	3,940
	42,873	8,680	51,553
	142,602	8,680	151,282
Administration	35,778	520	36,298
Cost of operations	178,380	9,200	187,580
Parliamentary appropriation	153,908	9,200	163,108
Management fees from the Canada Media Fund	10,686	-	10,686
Investment revenues and recoveries	5,000	-	5,000
Talent Fund	1,100	-	1,100
Contributions to promotional support activities	325	-	325
Interest	40	-	40
	171,059	9,200	180,259
Deficit	(7,321)	-	(7,321)



Schedule A - Other Information

A - Operating and administrative expenses

<i>In thousands of Canadian dollars</i>	June 30, Budget	June 30, 2022	June 30, 2021
Salaries and employee benefits	6,587	6,373	5,458
Information technology	1,033	1,040	994
Professional services	1,006	940	490
Rent, taxes, heating and electricity	534	562	515
Office expenses	264	357	205
Amortization of tangible capital assets	269	277	252
Travel	201	133	-
Publications	63	72	93
	9,957	9,754	8,007