

# TELEFILM C A N A D A

## PARTNER OF ▶ CHOICE

### QUARTERLY FINANCIAL REPORT

PERIOD ENDED SEPTEMBER 30, 2022

Second quarter of fiscal 2022-2023

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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 and in telecommuting mode.

In September 2022, Telefilm announced its new corporate plan *Partner of choice*<sup>1</sup> 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*<sup>2</sup> 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/2022/09/CorporatePlan2022\\_EN.pdf](https://telefilm.ca/wp-content/uploads/2022/09/CorporatePlan2022_EN.pdf)  
2 : <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32665>



### 3. IMPORTANT CHANGES

#### Programs

The Corporation created a new program, the **Theatrical Distribution Compensation Program**, following the Government of Canada's announcement of the Canadian Arts and Culture Recovery Program (CACRP), the details of which were mentioned in the June quarterly report.

Through its **Theatrical Exhibition Program**, the Corporation will also distribute funds from the CACRP and, for the second year in a row, the Recovery Fund.

During the quarter, the Corporation relaunched the **Export Assistance Program**, one of the changes being the fact that all foreign territories are now considered eligible.

The Corporation continued to update the **Promotion Program** by releasing guidelines for two new programs for the 2023-24 fiscal year: the **General Admission Festivals Program**, which will provide streamlined funding to small and/or emerging film festivals that are aimed at the general public, and the **Medium to Large-Scale Festivals Program**, which is designed to finance long-established medium to large-scale film festivals in Canada.

#### Activities

Twenty-seven of the 36 Canadian feature films screened during the Toronto International Film Festival (TIFF) were funded by the Corporation. Anthony Shim's *Riceboy Sleeps* garnered the Festival's Platform Award and Hubert Davis' *Black Ice* was the Audience Choice Documentary. The Corporation hosted four panels on accessibility, diversity and inclusion, environmental responsibility and access to the Corporation's funding. At the premiere of *Black Ice*, the Corporation debuted its "Feel Again at a Theatre Near You" ad, which was then shown throughout the festival. Also, director Clement Virgo's *Brother* was the opening film of the Atlantic International Film Festival (FIN).

Moreover, the Corporation continued its partnership with Rogers and its Ignite TV platform. During the summer, users had access to a collection of Canadian films available on video-on-demand, as well as a range of free films on Encore+. Each week during July and August, consumers were also able to watch a new movie for free on Super Channel using Apple TV. Titles included *Nadia*, *Butterfly*, *The F Word*, *Maps to the Stars*, *Dr. Cabbie* and *Target Number One*.

In addition, the Corporation announced that *Eternal Spring* from director, writer and producer Jason Loftus would be representing Canada in the nomination process for Best International Feature Film at the Oscars. This is the first time an animated film will represent Canada.

In other news, the New Dawn Fund announced its first selection of six projects to be supported and welcomed the Corporation's membership in this international fund. Nine European film institutes and funds launched New Dawn in May at the Cannes Film Festival with the goal of supporting greater diversity in the international film industry. The members of New Dawn are committed to exploring innovative ways to foster variety and representation.

During a ceremony held in Montreal and Toronto last September, the Corporation also proudly received the *Women in Governance Parity Certification* for the first time. The Corporation was recognized, along with other organizations, including its partners CBC/Radio Canada and the National Film Board of Canada (NFB), for its commitment to gender parity, both within the Corporation and throughout the film industry.

Additionally, the Corporation commissioned Leger, an expert polling firm, to carry out its first industry sustainability awareness survey. Ninety-six percent of respondents were not only interested in sustainable/green production practices, but also felt that it was important to integrate these practices in the workplace. The survey results also indicated that people are interested in learning more about the practices and expanding their knowledge in this area. It is important to provide education, training and partnership opportunities for the entire sector.



#### **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 twice. The Audit and Finance Committee, the Communications and Public and Governmental Affairs Committee and the Nominating, Evaluation and Governance Committee met once. The executive leadership team met ten 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 September 30, 2022. Management deems the importance of these adjustments to be immaterial.



## 7. ANALYSIS OF CUMULATIVE RESULTS

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 and September 22, 2022. For more details regarding budget adjustments, please refer to note 2 to the financial statements.

### Assistance Expenses

Overall, assistance expenses are higher than the budget and the comparative six months.

For the six-month period ended September 30, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Production Program	75,675	75,145	8,900	8,900	10,003	11,174	(1,103)	(12)	(1,171)	(10)	①
Development program	10,000	10,000	750	750	546	1,360	204	27	(814)	(60)	②
Theatrical Documentary Program	4,300	4,300	400	400	505	220	(105)	(26)	285	130	③
Administration of recommendations for audiovisual coproduction	379	379	196	196	198	185	(2)	(1)	13	7	
Talent to Watch Program	3,475	3,475	-	-	10	-	(10)	-	10	-	
Community engagement contributions	400	400	100	100	-	100	100	100	(100)	(100)	④
Strategics Contributions	4,000	4,000	-	-	-	-	-	-	-	-	
International Funds Contribution	1,500	1,860	-	-	-	-	-	-	-	-	
	99,729	99,559	10,346	10,346	11,262	13,039	(916)	(9)	(1,777)	(14)	
Promotion Program and national and international promotional activities	24,698	24,788	9,719	9,719	12,624	3,731	(2,905)	(30)	8,893	238	⑤
Marketing Program	9,636	9,636	2,400	2,400	1,515	1,668	885	37	(153)	(9)	⑥
International Promotion Program	1,200	1,200	425	425	438	36	(13)	(3)	402	1,117	⑦
Export Assistance Program	800	800	100	100	-	202	100	100	(202)	(100)	⑧
Theatrical Exhibition Program	6,314	11,054	-	-	-	-	-	-	-	-	
Theatrical Distribution Compensation Program	-	3,940	-	-	-	-	-	-	-	-	
Contingency	225	225	-	-	-	-	-	-	-	-	
	42,873	51,643	12,644	12,644	14,577	5,637	(1,933)	(15)	8,940	159	
	142,602	151,202	22,990	22,990	25,839	18,676	(2,849)	(12)	7,163	38	
Short-Term Compensation Fund	-	-	-	-	1,051	118	(1,051)	-	933	791	⑨
	142,602	151,202	22,990	22,990	26,890	18,794	(3,900)	(17)	8,096	43	



## 7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

### Assistance Expenses (Cont.)

1	<b>Production Program</b>	Current period ↗ than budget	\$1,103	More funding projects over \$1 million than in the last fiscal year and a negative amendment of \$2.7 million in 2022-2023.
		Current period ↘ than previous	\$1,171	
2	<b>Development program</b>	Current period ↘ than budget	\$204	The program opened one month later, and new data collection brought about delays in signing contracts.
		Current period ↘ than previous	\$814	
3	<b>Theatrical Documentary Program</b>	Current period ↗ than budget	\$105	Variance corresponds to project carried over from the previous fiscal year.
		Current period ↗ than previous	\$285	
4	<b>Community engagement contributions</b>	Current period ↘ than budget	\$100	Temporary variance, as contracts will be signed by the end of the fiscal year.
		Current period ↘ than previous	\$100	
5	<b>Promotion Program and national and international promotional activities</b>	Current period ↗ than budget	\$2,905	The volume of contracts signed has exceeded the budgeted expectations.
		Current period ↗ than previous	\$8,893	
6	<b>Marketing Program</b>	Current period ↘ than budget	\$885	The level of applications received was lower than budgeted, which took into account the reopening of theatres and the new post-pandemic return.
7	<b>International Promotion Program</b>	Current period ↗ than previous	\$402	Nearly eighty films were presented in various international festivals. This growth is due to the expanded criteria of the guidelines and also to the COVID-19 situation, which prevailed during the comparative half-year period and which did not allow for international events to be held in person.
8	<b>Export Assistance Program</b>	Current period ↘ than budget	\$100	The revised guidelines resulted in a delay in the opening of the program.
		Current period ↘ than previous	\$202	



## 7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

### Assistance Expenses (Cont.)

9	<b>Short-Term Compensation Fund</b>	Current period ↗ than budget	\$1,051	No budget is provided since the amount of compensation attributable to COVID-19 is impossible to predict.
		Current period ↗ than previous	\$933	Higher volume due to COVID-19 filming interruptions.





## 7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

### Operating and Administrative Expenses

Operating and administrative expenses are higher than the comparative period.

For the six-month period ended September 30, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Salaries and employee benefits	25,025	25,040	12,661	12,676	12,447	10,684	229	2	1,763	17	①
Professional services	3,814	4,237	2,215	2,541	2,070	1,357	471	19	713	53	②
Information technology	1,747	1,747	1,251	1,251	1,339	1,201	(88)	(7)	138	11	③
Rent, taxes, heating and electricity	2,176	2,176	1,082	1,082	1,078	984	4	-	94	10	④
Amortization of tangible capital assets	1,077	1,077	538	538	553	503	(15)	(3)	50	10	⑤
Office expenses	950	1,160	470	491	510	384	(19)	(4)	126	33	⑥
Travel	801	801	386	386	318	-	68	18	318	-	⑦
Publications	188	188	106	106	153	135	(47)	(44)	18	13	
	35,778	36,426	18,709	19,071	18,468	15,248	603	3	3,220	21	

①	<b>Salaries and employee benefits</b>	Current period ↗ than previous	\$1,763	The increase stems from adding positions to expand organizational capacity as budgeted and annual salary increases.
②	<b>Professional services</b>	Current period ↘ than budget	\$471	Pace of completion of mandates given to external firms differs from what was planned and from the comparative period.
		Current period ↗ than previous	\$713	
③	<b>Information technology</b>	Current period ↗ than previous	\$138	Increase in costs for cloud services and changes in billing frequency.
④	<b>Rent, taxes, heating and electricity</b>	Current period ↗ than previous	\$94	Increase in rental costs and reimbursement of operating expenses and property taxes during the comparative quarter for one of our offices. Higher insurance costs related to a general upswing in the market as well as an increase in our coverage.
⑤	<b>Amortization of tangible capital assets</b>	Current period ↗ than previous	\$50	Amortization related to the capitalization of computer and technology equipment and the development of the Appian platform in the last fiscal year.
⑥	<b>Office expenses</b>	Current period ↗ than previous	\$126	Increase explained by rental costs for meetings that differ from year to year depending on the needs, non-recurring expenses for the return to the office and the resumption of in-person meetings for employees.



## 7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

### Operating and Administrative Expenses (Cont.)

<b>7</b>	<b>Travel</b>	Current period ↘ than budget	\$68	Some planned travel will be taking place in subsequent quarters.
		Current period ↗ than previous	\$318	Return to in-person participation in national and international events.



## 7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

### Government Funding and Revenues

For the six-month period ended September 30, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Parliamentary appropriation	153,908	163,108	37,607	37,826	38,544	33,243	718	2	5,301	16	1
Management fees from the Canada Media Fund	10,686	10,686	5,343	5,343	5,280	5,531	(63)	(1)	(251)	(5)	
Investment revenues and recoveries	5,000	5,000	2,700	2,700	3,867	3,968	1,167	43	(101)	(3)	2
Harold Greenberg Fund	-	-	-	-	875	-	875	-	875	-	3
Contributions to promotional support activities	325	325	50	50	345	67	295	590	278	415	4
Interest and other revenues	40	40	20	20	94	34	74	370	60	176	5
Talent Fund	1,100	1,100	150	150	13	215	(137)	(91)	(202)	(94)	6
	171,059	180,259	45,870	46,089	49,018	43,058	2,929	6	5,960	14	

- 1 Parliamentary appropriation** Current period  $\nearrow$  than previous \$5,301 Increased government funding for the Recovery and Reopening Fund and for the administrative portion as a result of cut-off procedures.
- 2 Investment revenues and recoveries** Current period  $\nearrow$  than budget \$1,167 The level of investment income and recoveries is similar to the comparative year and was established with cautiously due to the uncertainty of revenues in the wake of the COVID-19 pandemic.
- 3 Harold Greenberg Fund** Current period  $\nearrow$  than budget \$875 Three contracts were signed to support productions funded by the Harold Greenberg Fund's French-language program.
- Current period  $\nearrow$  than previous \$875
- 4 Contributions to promotional support activities** Current period  $\nearrow$  than budget \$295 The variance is due to non-budgeted revenues for international events and revenues received earlier than anticipated.
- Current period  $\nearrow$  than previous \$278 Resumption of in-person participation in national and international events.
- 5 Interest and other revenues** Current period  $\nearrow$  than budget \$74 The variance stems from the billing of fees under the Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF), which was not budgeted for in light of the Fund's limited history.
- Current period  $\nearrow$  than previous \$60 The billing of fees for the STCF varies according to the number of claims to be analyzed, which differs from one year to the next.



## 7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

### Government Funding and Revenues (Cont.)

⑥ Talent Fund	Current period ↘ than budget	\$137	The Corporation regularly seeks donations from several donors. Significant donations are expected in the third quarter.
	Current period ↘ than previous	\$202	In the comparative quarter, recognition of revenues from contributions. Furthermore, the number of donors and the amount of donation per donor is decreasing.

## 8. ANALYSIS OF RESULTS FOR THE SECOND QUARTER

	Actual		Variance		
	2022- 2023	2021- 2022	\$	%	
Assistance expenses	20,703	12,866	7,837	61	①
Operating and administrative expenses	8,714	7,241	1,473	20	②
Revenues	6,629	6,596	33	1	
Parliamentary appropriation	25,050	21,941	3,109	14	③
Surplus	2,262	8,430	(6,168)	(73)	

① Assistance expenses	Current period ↗ than previous	\$7,837	Increased spending on national and international promotional programs and activities related to the Recovery and Reopening Fund, significant funding for a national festival and new program guidelines.
② Operating and administrative expenses	Current period ↗ than previous	\$1,473	The rise is explained by the addition of positions to expand organizational capacity and annual salary increases, the use of external services for projects, and the resumption of in-person participation in national and international events.
③ Parliamentary appropriation	Current period ↗ than previous	\$3,109	Increased government funding for the Recovery and Reopening Fund and for the administrative portion as a result of cut-off procedures.



## 9. ANALYSIS OF FINANCIAL POSITION

	Actual		Variance		
	Sept 30, 2022	Sept 30, 2021	\$	%	
<b>Financial assets</b>					
Due from Consolidated Revenue Fund	75,257	71,635	3,622	5	
Cash - Talent Fund	925	310	615	198	1
Cash - Harold Greenberg Fund	705	-	705	-	2
Accounts receivable	1,829	1,699	130	8	
Receivable from the Canada Media Fund	916	225	691	307	3
	79,632	73,869	5,763	8	
<b>Liabilities</b>					
Accounts payable and accrued liabilities	4,774	1,678	3,096	185	4
Deferred revenues - Talent Fund	845	-	845	-	5
Deferred revenues - Harold Greenberg Fund	285	-	285	-	6
Financial assistance program obligations	34,866	30,720	4,146	13	7
Liabilities for employee future benefits	823	764	59	8	
	38,039	40,707	(2,668)	(7)	
<b>Net financial assets</b>					
<b>Non-financial assets</b>					
Tangible capital assets	4,647	4,822	(175)	(4)	
Prepaid expenses	1,982	286	1,696	593	8
	44,668	45,815	(1,147)	(3)	

- 1 **Cash - Talent Fund** ↗ \$615 Higher balance stemming from the Harold Greenberg Fund (HGF) contribution received that has not yet been used for its intended purpose.
- 2 **Cash - Harold Greenberg Fund** ↗ \$705 Balance corresponds to the amount payable resulting from the assumption of responsibility in December 2021, of five productions funded under the HGF's French language program.
- 3 **Receivable from the Canada Media Fund** ↗ \$691 The higher balance is primarily due to unpaid fees for the month of September related to a delay in the sending of the invoice.
- 4 **Accounts payable and accrued liabilities** ↗ \$3,096 As of September 30, 2022, cut-off procedures for accounts payable have been initiated.
- 5 **Deferred revenues - Talent Fund** ↗ \$845 Higher balance resulting from contributions from the Harold Greenberg Fund that have not yet been used for their intended purpose.
- 6 **Deferred revenues - Harold Greenberg Fund** ↗ \$285 Balance resulting from the assumption of responsibility for one production funded under the Harold Greenberg Fund's French-language program.



## 7. ANALYSIS OF FINANCIAL POSITION (CONT.)

### Financial position (Cont.)

7	<b>Financial assistance program obligations</b>	↗ \$4,146	High level of contractual commitments at the beginning of the 2022-2023 fiscal year with amounts still to be disbursed.
8	<b>Prepaid expenses</b>	↗ \$1696	Temporary variance related to certain program expenses applicable to the 2022-2023 fiscal year.

## 10. 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>	<b>Sept 30, 2022</b>	<b>Sept 30, 2021</b>
<b>Cost of operations</b>	45,358	34,042
Adjustment affecting the use of Parliamentary appropriation:		
Assistance expenses adjustment where Parliamentary appropriation eligibility criteria have been met	2,909	6,111
Assistance expenses funded by the Talent Fund	-	(146)
Contributions to promotional support activities	(345)	(67)
Prepaid expenses	(3,129)	(663)
Operating expenses funded by the CMF	(5,280)	(5,531)
Assistance expenses funded by the HGF	(489)	-
Other administrative adjustments	32	-
Acquisitions of property and equipment	-	-
Salary recovery for payment in arrears transition	(8)	(14)
Amortization	(553)	(503)
Employee future benefits	49	14
<b>Use of Parliamentary appropriation at September 30</b>	<b>38,544</b>	<b>33,243</b>
<b>Parliamentary appropriation planned for subsequent quarters</b>	<b>124,564</b>	<b>115,113</b>
<b>Parliamentary appropriation planned</b>	<b>163,108</b>	<b>148,356</b>

The amount of the parliamentary appropriation provided is derived from the 2022-2023 Main Estimates (\$151.9 million) and includes an amount for the administration of the Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF) (\$2 million) in the Supplementary Estimates (A) and an amount for the Canada Arts and Culture Recovery Program (CACRP) in the December Supplementary Estimates (B) (\$9.2 million). Note that the STCF also has an amount available to offset compensation payments (up to \$148 million).



## **11. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 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, appearing to read "Francesca Accinelli". The signature is stylized with large loops and flourishes.

Francesca Accinelli  
Interim Executive Director & CEO

A handwritten signature in blue ink, appearing to read "Patrick Bédard". The signature is written in a cursive style.

Patrick Bédard, CPA, MBA  
Vice President, Finance

Montreal, Canada  
November 29, 2022



## Quarterly Statement of Operations

For the three-month period ended September 30, 2022

<i>In thousands of Canadian dollars</i>	Schedule	Quarter ended Sept. 30	
		2022	2021
<b>Assistance expenses</b>			
Development of the Canadian audiovisual industry			
Production Program		8,294	7,135
Development Program		610	1,360
Theatrical Documentary Program		505	220
Administration of recommendations for audiovisual treaty coproduction		92	87
Talent to Watch Program		10	-
		9,511	8,802
Promotional support in Canada and abroad			
Promotion Program and national and international promotional activities		9,340	2,812
Marketing Program		671	942
International Promotion Program		200	36
Export Assistance Program		-	156
		10,211	3,946
Short-Term Compensation Fund		981	118
		20,703	12,866
<b>Operating and administrative expenses</b>	A	8,714	7,241
<b>Cost of operations</b>		29,417	20,107
<b>Revenues</b>			
Management fees from the Canada Media Fund		2,590	2,884
Investment revenues and recoveries		3,476	3,511
Harold Greenberg Fund		300	-
Contributions to promotional support activities		209	65
Interest and other revenues		53	13
Talent fund		1	123
		6,629	6,596
<b>Net cost of operations before government funding</b>		22,788	13,511
<b>Government funding</b>			
Parliamentary appropriation		25,050	21,941
<b>Surplus</b>		2,262	8,430
<b>Accumulated surplus, beginning of period</b>		42,406	37,385
<b>Accumulated surplus, end of period</b>		44,668	45,815

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





## Statement of Operations

For the six-month period ended September 30, 2022

<i>In thousands of Canadian dollars</i>	Schedule	Period ended Sept. 30		
		Cumulative Budget	Cumulative 2022	Cumulative 2021
<b>Assistance expenses</b>				
Development of the Canadian audiovisual industry				
Production Program		8,900	10,003	11,174
Development Program		750	546	1,360
Theatrical Documentary Program		400	505	220
Administration of recommendations for audiovisual treaty coproduction		196	198	185
Talent to Watch Program		-	10	-
Community engagement contributions		100	-	100
		10,346	11,262	13,039
Promotional support in Canada and abroad				
Promotion Program and national and international promotional activities		9,719	12,624	3,731
Marketing Program		2,400	1,515	1,668
International Promotion Program		425	438	36
Export Assistance Program		100	-	202
		12,644	14,577	5,637
Short-Term Compensation Fund		-	1,051	118
		22,990	26,890	18,794
<b>Operating and administrative expenses</b>	B	18,709	18,468	15,248
<b>Cost of operations</b>		41,699	45,358	34,042
<b>Revenues</b>				
Management fees from the Canada Media Fund		5,343	5,280	5,531
Investment revenues and recoveries		2,700	3,867	3,968
Harold Greenberg Fund		-	875	-
Contributions to promotional support activities		50	345	67
Interest and other revenues		20	94	34
Talent Fund		150	13	215
		8,263	10,474	9,815
<b>Net cost of operations before government funding</b>		33,436	34,884	24,227
<b>Government funding</b>				
Parliamentary appropriation		37,607	38,544	33,243
<b>Surplus</b>		4,171	3,660	9,016
<b>Accumulated surplus, beginning of period</b>		41,008	41,008	36,799
<b>Accumulated surplus, end of period</b>		45,179	44,668	45,815

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



## Statement of Financial Position

<i>In thousands of Canadian dollars</i>	<b>Sept. 30, 2022</b>	<b>March 31, 2022</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	75,257	70,873
Cash - Talent Fund	925	667
Cash - Harold Greenberg Fund	705	1,194
Accounts receivable	1,829	5,405
Receivable from the Canada Media Fund	916	844
	<b>79,632</b>	<b>78,983</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,774	2,700
Deferred revenues - Talent Fund	845	600
Deferred revenues - Harold Greenberg Fund	285	1,160
Financial assistance program obligations	34,866	42,954
Liabilities for employee future benefits	823	872
	<b>41,593</b>	<b>48,286</b>
<b>Net financial assets</b>	<b>38,039</b>	<b>30,697</b>
<b>Non-financial assets</b>		
Tangible capital assets	4,647	5,200
Prepaid expenses	1,982	5,111
	<b>6,629</b>	<b>10,311</b>
<b>Accumulated surplus</b>	<b>44,668</b>	<b>41,008</b>

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



### Statement of Changes in Net Financial Assets

For the six-month period ended September 30, 2022

<i>In thousands of Canadian dollars</i>	<b>Sept. 30, Budget</b>	<b>Sept. 30, 2022</b>	<b>March 31, 2022</b>
<b>Surplus</b>	4,171	3,660	4,209
<b>Tangible capital asset transactions</b>			
Amortization	538	553	1,040
Acquisitions	(185)	-	(918)
Write-down of tangible capital assets	-	-	3
<b>Other transactions</b>			
Acquisitions of prepaid expenses	(175)	(165)	(5,111)
Use of prepaid expenses	3,830	3,294	949
<b>Increase in net financial assets</b>	<b>8,179</b>	<b>7,342</b>	<b>172</b>
<b>Net financial assets, beginning of year</b>	<b>30,697</b>	<b>30,697</b>	<b>30,525</b>
<b>Net financial assets, end of period</b>	<b>38,876</b>	<b>38,039</b>	<b>30,697</b>

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



## Statement of Cash Flows

For the period ended September 30, 2022

	Period ended Sept. 30	
	2022	2021
<i>In thousands of Canadian dollars</i>		
<b>Operating activities</b>		
Surplus	3,660	9,016
Items not affecting cash:		
Decrease in liabilities for employee future benefits	(49)	(14)
Amortization of tangible capital assets	553	503
	4,164	9,505
Changes in non-cash financial items:		
Decrease in accounts receivable	3,576	909
Decrease (increase) in receivable from the Canada Media Fund	(72)	446
Increase (decrease) in accounts payable and accrued liabilities	2,074	(1,302)
Increase (decrease) in deferred revenues - Talent Fund	245	(117)
Decrease in deferred revenues - Harold Greenberg Fund	(875)	-
Decrease of financial assistance program obligations	(8,088)	(6,510)
Decrease in prepaid expenses	3,129	663
	4,153	3,594
<b>Capital activities</b>		
Cash outflows to acquire tangible capital assets	-	-
<b>Increase in due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund</b>	4,153	3,594
<b>Due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund, beginning of period</b>	72,734	68,351
<b>Due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund, end of period</b>	76,887	71,945
<b>Additional information presented in operating activities</b>		
Variance in accounts payable and accrued liabilities for capital projects	-	-

The accompanying notes and the schedules 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.

### 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 and September 22, 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	(530)	75,145
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
International Funds Contribution	1,500	360	1,860
Administration of recommendations for audiovisual coproduction	379	-	379
Community engagement contributions	400	-	400
	99,729	(170)	99,559
Promotion Program and national and international promotional activities	24,698	90	24,788
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	8,770	51,643
	142,602	8,600	151,202
Administration	35,778	648	36,426
Cost of operations	178,380	9,248	187,628
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)	(48)	(7,369)



## Schedule A and B - Other Information

### A - Operating and administrative expenses

	Quarter ended Sept. 30	
	2022	2021
Salaries and employee benefits	6,074	5,226
Professional services	1,130	867
Rent, taxes, heating and electricity	516	469
Information technology	299	207
Amortization of tangible capital assets	276	251
Travel	185	-
Office expenses	153	179
Publications	81	42
	8,714	7,241

### B - Cumulative operating and administrative expenses

	Cumulative Budget	Period ended Sept. 30	
		2022	2021
Salaries and employee benefits	12,661	12,447	10,684
Professional services	2,215	2,070	1,357
Information technology	1,251	1,339	1,201
Rent, taxes, heating and electricity	1,082	1,078	984
Amortization of tangible capital assets	538	553	503
Office expenses	470	510	384
Travel	386	318	-
Publications	106	153	135
	18,709	18,468	15,248