

**TELEFILM**  
C A N A D A

**PARTNER  
OF ▶  
CHOICE**

**QUARTERLY FINANCIAL REPORT**

PERIOD ENDED DECEMBER 31, 2022

Third quarter of fiscal 2022-2023

[TELEFILM.CA](https://www.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

During the quarter, the Corporation modified the guidelines for the **Production Program**, one of the changes being an update of eligibility criteria for the Indigenous stream to provide more flexibility and inclusiveness. Also, for projects with a budget of less than \$2.5 million and where the Corporation's participation does not exceed \$500,000, the recovery policy has been updated to extend the recovery period from 24 months to 7 years, and applicants will now have the option of a repayable advance or an investment.

#### Activities

The Corporation became a partner in the Arctic Indigenous Film Fund (AIFF), one of whose objectives is to support Indigenous audiovisual productions and to increase training and mentoring opportunities for Indigenous creators. The Canada-France Series Lab is a joint initiative between Séries Mania Forum, the Corporation, the Centre national du cinéma et de l'image animée (CNC) and the Banff World Media Festival. The Canada-France Series Lab, whose main objective is to encourage and facilitate relationships between French and Canadian producers, will offer producers new coproduction opportunities while promoting, in a very competitive context, the development of projects with strong international potential. Fifteen producers from both countries will be invited to participate in Séries Mania Forum 2023.

In addition, with respect to equity, diversity and inclusion, the Corporation launched its 2023-2025 Accessibility Plan, which outlines what the Corporation will do to become more accessible for people living with disabilities. The Corporation also launched its new 2022-2024 Equity, Diversity and Inclusion Action Plan, which is based on four pillars and 25 cross-cutting commitments developed in collaboration with all of the Corporation's departments.

In terms of eco-responsibility, as part of the UN Biodiversity Conference (COP15), the Corporation partnered with the National Film Board (NFB) on the Green Space initiative, presented in collaboration with Environment and Climate Change Canada. Green Space consisted of a series of film screenings, virtual reality experiences and panels offered free of charge to conference participants and the general public. As well, the Corporation continues to actively collaborate with industry colleagues and partners to further its commitment to building a healthier and more environmentally sustainable future for the industry. In addition, the Corporation has hired someone to fill the new position of Sustainability and Research Advisor. This incumbent and position are a valuable addition to our team and indicate a commitment to sustainability.



#### **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, the Audit and Finance Committee and the Communications and Public and Governmental Affairs Committee met twice. The Nominating, Evaluation and Governance Committee met once. The executive leadership team met thirteen 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 December 31, 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, September 22, 2022 and December 15, 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 comparative period.

For the nine-month period ended December 31, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Production Program	75,675	77,641	27,550	27,550	30,778	31,399	(3,228)	(12)	(621)	(2)	1
Development program	10,000	10,000	9,000	9,000	8,362	7,058	638	7	1,304	18	2
Theatrical Documentary Program	4,300	4,300	1,900	1,900	3,831	1,770	(1,931)	(102)	2,061	116	3
International Funds Contribution	1,500	1,860	1,500	1,660	1,820	1,467	(160)	(10)	353	24	4
Talent to Watch Program	3,475	3,495	1,050	1,050	370	779	680	65	(409)	(53)	5
Administration of recommendations for audiovisual coproduction	379	379	287	287	310	274	(23)	(8)	36	13	
Community engagement contributions	400	400	200	200	-	100	200	100	(100)	(100)	6
Strategics Contributions	4,000	160	-	-	-	-	-	-	-	-	
	99,729	98,235	41,487	41,647	45,471	42,847	(3,824)	(9)	2,624	6	
Promotion Program and national and international promotional activities	24,698	26,092	18,111	18,201	19,263	8,196	(1,062)	(6)	11,067	135	7
Theatrical Exhibition Program	6,314	11,054	5,000	8,800	10,400	10,810	(1,600)	(18)	(410)	(4)	8
Marketing Program	9,636	9,636	5,400	5,400	2,719	2,755	2,681	50	(36)	(1)	9
International Promotion Program	1,200	1,200	775	775	913	324	(138)	(18)	589	182	10
Export Assistance Program	800	800	400	400	117	311	283	71	(194)	(62)	11
Theatrical Distribution Compensation Program	-	3,940	-	-	-	-	-	-	-	-	
Contingency	225	225	-	-	-	-	-	-	-	-	
	42,873	52,947	29,686	33,576	33,412	22,396	164	-	11,016	49	
	142,602	151,182	71,173	75,223	78,883	65,243	(3,660)	(5)	13,640	21	
Short-Term Compensation Fund	-	-	-	-	2,038	281	(2,038)	-	1,757	625	12
	142,602	151,182	71,173	75,223	80,921	65,524	(5,698)	(8)	15,397	23	



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

### Assistance Expenses (Cont.)

1	<b>Production Program</b>	Current period ↗ than budget	\$3,228	A greater number of funding projects of more than \$1 million than in the last fiscal year. Budget overrun will remain for the end of the fiscal year.
2	<b>Development program</b>	Current period ↗ than previous	\$1,304	The increase in the amounts funded per project is directly related to the budget increase. The budget increase is related to the additional \$105 million in funding (Year 2 of 3).
3	<b>Theatrical Documentary Program</b>	Current period ↗ than budget	\$1,931	Funding for three non-budgeted Indigenous productions worth \$1 million. Also, updated guidelines have increased the amount of funding per project.
		Current period ↗ than previous	\$2,061	The increase in the amounts funded per project is directly related to the budget increase. The budget increase is related to the additional \$105 million in funding (Year 2 of 3).
4	<b>International Funds Contribution</b>	Current period ↗ than budget	\$160	Costs were higher than expected for Eurimages, while the payment for another contribution was made earlier than expected.
		Current period ↗ than previous	\$353	The wording of the financial statements has been changed to include not only the contribution to the Council of Europe's cultural support fund, Eurimages, the costs of which have increased compared to the previous year, but also other international funds in which the Corporation participates.
5	<b>Talent to Watch Program</b>	Current period ↘ than budget	\$680	Decisions were issued later than budgeted due to, among other things, a significant volume of applications received compared to the comparative period. This increase was due to the addition of the Direct Access stream.
		Current period ↘ than previous	\$409	Fewer projects were signed compared to the previous year, during which the Corporation focused its efforts on supporting projects that had received financial assistance from the Corporation over the past three years and were negatively impacted by the COVID-19 pandemic.
6	<b>Community engagement contributions</b>	Current period ↘ than budget	\$200	Temporary variance, contracts will be signed by the end of the fiscal year.



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

### Assistance Expenses (Cont.)

7	<b>Promotion Program and national and international promotional activities</b>	Current period ↗ than previous	\$11,067	At the national level, the increase is mainly related to the addition of the Recovery and Reopening funds. At the international level, the increase is explained by a greater number of face-to-face events, and a return to the scope of events to pre-COVID-19 pandemic levels. Also, by the funding of the Toronto International Film Festival which received, in addition to its regular funding, a strategic investment.
8	<b>Theatrical Exhibition Program</b>	Current period ↗ than budget	\$1,600	The volume of contracts signed exceeded the expectations set at the time of budgeting.
9	<b>Marketing Program</b>	Current period ↘ than budget	\$2,681	The level of applications received was below budget, which took into account the reopening of theatres and the post-pandemic return. The program will generate budget savings for the end of the fiscal year.
10	<b>International Promotion Program</b>	Current period ↗ than previous	\$589	Nearly 135 films were presented at various international festivals. This increase is due to broader criteria in the guidelines and to the COVID-19 situation that prevailed in the first half of the comparative fiscal year, when international face-to-face events were prohibited.
11	<b>Export Assistance Program</b>	Current period ↘ than budget	\$283	Revisions to the guidelines delayed the opening of the program. The Corporation is confident that the gap will be closed by the end of the fiscal year.
		Current period ↘ than previous	\$194	
12	<b>Short-Term Compensation Fund</b>	Current period ↗ than budget	\$2,038	No budget is provided for since it is impossible to predict the amount of compensation due to COVID-19.
		Current period ↗ than previous	\$1,757	Higher volume due to film-shoot interruptions because of COVID-19.





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

### Operating and Administrative Expenses

Operating and administrative expenses are higher than the comparative period.

For the nine-month period ended December 31, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Salaries and employee benefits	25,025	25,060	18,686	18,701	18,293	16,116	408	2	2,177	14	①
Professional services	3,814	4,237	3,162	3,791	2,664	2,064	1,127	30	600	29	②
Rent, taxes, heating and electricity	2,176	2,176	1,616	1,616	1,592	1,482	24	1	110	7	
Information technology	1,747	1,747	1,402	1,402	1,544	1,360	(142)	(10)	184	14	③
Amortization of tangible capital assets	1,077	1,077	808	808	828	755	(20)	(2)	73	10	
Office expenses	950	1,160	715	875	626	595	249	28	31	5	④
Travel	801	801	583	583	402	19	181	31	383	2,016	⑤
Publications	188	188	147	147	135	161	12	8	(26)	(16)	
	35,778	36,446	27,119	27,923	26,084	22,552	1,839	7	3,532	16	

①	<b>Salaries and employee benefits</b>	Current period ↗ than previous	\$2,177	The increase is due to the addition of positions to increase organizational capacity, as budgeted and provided for in annual salary increases.
②	<b>Professional services</b>	Current period ↘ than budget	\$1,127	The pace of execution of mandates entrusted to external firms differs from what was planned and from the comparative period.
		Current period ↗ than previous	\$600	
③	<b>Information technology</b>	Current period ↗ than budget	\$142	The billing rate for outsourced IT services differs from what was planned.
		Current period ↗ than previous	\$184	Increased costs for cloud services and changes in billing frequency.
④	<b>Office expenses</b>	Current period ↘ than budget	\$249	The budget did not take into account that employees would still be telecommuting and would only come into the office once a month.
⑤	<b>Travel</b>	Current period ↘ than budget	\$181	The variance is mainly due to several planned trips that did not take place and to trips that did take place and for which expenses have not yet been recorded. A budget variance is expected for the fourth quarter.
		Current period ↗ than previous	\$383	Return of face-to-face participation in national and international events.



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

### Government Funding and Revenues

For the nine-month period ended December 31, 2022

	Budget				Actual		Variance				
	Annual		Period		2022- 2023	2021- 2022	Revised Budget		Actual		
	Initial	Revised	Initial	Revised			\$	%	\$	%	
Parliamentary appropriation	153,908	163,108	87,624	91,997	97,210	80,620	5,213	6	16,590	21	1
Management fees from the Canada Media Fund	10,686	10,686	8,014	8,014	7,920	7,908	(94)	(1)	12	-	
Investment revenues and recoveries	5,000	5,000	3,200	3,200	4,876	4,796	1,676	52	80	2	2
Harold Greenberg Fund	-	-	-	-	875	-	875	-	875	-	3
Contributions to promotional support activities	325	325	265	265	592	491	327	123	101	21	4
Talent Fund	1,100	1,100	600	600	241	244	(359)	(60)	(3)	(1)	5
Interest and other revenues	40	40	30	30	144	113	114	380	31	27	6
	171,059	180,259	99,733	104,106	111,858	94,172	7,752	7	17,686	19	

1	<b>Parliamentary appropriation</b>	Current period ↗ than previous	\$16,590	Primarily related to the increase in government funding for the Recovery and Reopening funds and the Canada Arts and Culture Recovery Program (CACRP).
2	<b>Investment revenues and recoveries</b>	Current period ↗ than budget	\$1,676	The level of investment income and recoveries is similar to the comparative exercise and has been established with caution given the uncertainty of revenues following the COVID-19 pandemic.
3	<b>Harold Greenberg Fund</b>	Current period ↗ than budget	\$875	Three contracts were signed for the support of productions, taken over by Telefilm, funded by the Harold Greenberg Fund's French-language program.
		Current period ↗ than previous	\$875	
4	<b>Contributions to promotional support activities</b>	Current period ↗ than budget	\$327	The variance is due to unbudgeted revenues for international events and revenues received earlier than anticipated.
		Current period ↗ than previous	\$101	For the comparative quarter, the most significant revenue came from a one-time contribution from the Department of Canadian Heritage of \$0.4 million related to the Frankfurt Book Fair. This year, by comparison, we are seeing a return of face-to-face national and international events.
5	<b>Talent Fund</b>	Current period ↘ than budget	\$359	Delay in signing contracts funded with contribution from the Harold Greenberg Fund.



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

### Government Funding and Revenues (Cont.)

<b>6</b>	<b>Interest and other revenues</b>	Current period ↗ than budget	\$114	The variance is due to the billing of fees for the Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF), which is not budgeted for given the Corporation's limited track record concerning the STCF.
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## 8. ANALYSIS OF RESULTS FOR THE THIRD QUARTER

	Actual		Variance		
	2022- 2023	2021- 2022	\$	%	
Assistance expenses	54,031	46,730	7,301	16	<b>1</b>
Operating and administrative expenses	7,616	7,304	312	4	
Revenues	4,174	3,737	437	12	<b>2</b>
Parliamentary appropriation	58,666	47,377	11,289	24	<b>3</b>
Surplus (deficit)	1,193	(2,920)	4,113	(141)	

<b>1</b>	<b>Assistance expenses</b>	Current period ↗ than previous	\$7,301	Increased spending on the Promotion Program and on national and international promotional programs and activities related to the Recovery and Reopening funds, and due to significant funding for a national festival.  Increase in per-project funded amounts under the Development Program tied to a budget increase and contracts in the pre-qualified stream that were signed in the third quarter versus the second quarter of the previous fiscal year.  Increased expenditures for the Theatrical Documentary Program to fund three Indigenous projects, and increased per-project amounts granted as a result of new guidelines. Increase in the number of compensation outlays granted for losses due to COVID-19-related interruptions.
<b>2</b>	<b>Revenues</b>	Current period ↗ than previous	\$437	Increase in the number of Talent Fund donations and per-donor amounts. Investment income for the period was higher due to the hit film <i>Possessor</i> , which accounted for 60% of investment income for the period.
<b>3</b>	<b>Parliamentary appropriation</b>	Current period ↗ than previous	\$11,289	Mainly due to the increase in government funding from the Recovery and Reopening funds and Canada Arts and Culture Recovery Program (CACRP).

## 9. ANALYSIS OF FINANCIAL POSITION

	Actual		Variance	
	Dec 31, 2022	Dec 31, 2021	\$	%
<b>Financial assets</b>				
Due from Consolidated Revenue Fund	75,329	73,371	1,958	3
Cash - Talent Fund	1,143	779	364	47 <sup>1</sup>
Cash - Harold Greenberg Fund	450	1,389	(939)	(68) <sup>2</sup>
Accounts receivable	2,883	1,502	1,381	92 <sup>3</sup>
Receivable from the Canada Media Fund	26	19	7	37
	79,831	77,060	2,771	4
<b>Liabilities</b>				
Accounts payable and accrued liabilities	3,490	3,585	(95)	(3)
Deferred revenues - Talent Fund	845	600	245	41 <sup>4</sup>
Deferred revenues - Harold Greenberg Fund	285	-	285	-
Financial assistance program obligations	34,446	33,960	486	1
Liabilities for employee future benefits	913	778	135	17
<b>Net financial assets</b>	39,852	38,137	1,715	4
<b>Non-financial assets</b>				
Tangible capital assets	5,116	4,570	546	12 <sup>5</sup>
Prepaid expenses	893	188	705	375 <sup>6</sup>
<b>Accumulated surplus</b>	45,861	42,895	2,966	7

- <sup>1</sup> **Cash - Talent Fund** ↗ \$364 Harold Greenberg Fund (HGF) donation, and higher donations from individuals, corporations and foundations.
- <sup>2</sup> **Cash - Harold Greenberg Fund** ↘ \$939 Balance is the amount remaining to be paid as a result of the December 2021 takeover of five productions funded under the HGF's French-language program.
- <sup>3</sup> **Accounts receivable** ↗ \$1,381 Increase in investments in December 2022 and delay in remittance of taxes receivable in connection with the October 2022 return.
- <sup>4</sup> **Deferred revenues - Talent Fund** ↗ \$245 Balance resulting from the assumption of responsibility for a production funded under the French-language program of the Harold Greenberg Fund.
- <sup>5</sup> **Tangible capital assets** ↗ \$546 Mainly related to capitalization during the period.
- <sup>6</sup> **Prepaid expenses** ↗ \$705 Temporary variance related to certain program expenses applicable to fiscal 2022-2023.



## 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>Dec 31, 2022</b>	<b>Dec 31, 2021</b>
<b>Cost of operations</b>	107,005	88,076
Adjustment affecting the use of Parliamentary appropriation:		
Assistance expenses adjustment where Parliamentary appropriation eligibility criteria have been met	3,835	2,848
Assistance expenses funded by the Talent Fund	(55)	(305)
Contributions to promotional support activities	(592)	(491)
Prepaid expenses	(4,218)	(761)
Operating expenses funded by the CMF	(7,920)	(7,908)
Assistance expenses funded by the HGF	(744)	(69)
Other administrative adjustments	32	-
Acquisitions of property and equipment	744	-
Salary recovery for payment in arrears transition	(8)	(15)
Amortization	(828)	(755)
Employee future benefits	(41)	-
<b>Use of Parliamentary appropriation at December 31</b>	<b>97,210</b>	<b>80,620</b>
<b>Parliamentary appropriation planned for subsequent quarter</b>	<b>65,898</b>	<b>67,736</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 DECEMBER 31, 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 fluid and cursive, with a large loop at the beginning.

Francesca Accinelli  
Interim Executive Director & CEO

A handwritten signature in blue ink, appearing to read "Patrick Bédard". The signature is cursive and clearly legible.

Patrick Bédard, CPA, MBA  
Vice President, Finance

Montreal, Canada  
March 1, 2023



## Quarterly Statement of Operations

For the three-month period ended December 31, 2022

<i>In thousands of Canadian dollars</i>	Schedule	Quarter ended Dec. 31	
		2022	2021
<b>Assistance expenses</b>			
Development of the Canadian audiovisual industry			
Production Program		20,775	20,225
Development Program		7,816	5,698
Theatrical Documentary Program		3,326	1,550
International Funds Contribution		1,820	1,467
Talent to Watch Program		360	779
Administration of recommendations for audiovisual treaty coproduction		112	89
		34,209	29,808
Promotional support in Canada and abroad			
Theatrical exhibition program		10,400	10,810
Promotion Program and national and international promotional activities		6,639	4,465
Marketing Program		1,204	1,087
International Promotion Program		475	288
Export Assistance Program		117	109
		18,835	16,759
Short-Term Compensation Fund		987	163
		54,031	46,730
<b>Operating and administrative expenses</b>	A	7,616	7,304
<b>Cost of operations</b>		61,647	54,034
<b>Revenues</b>			
Management fees from the Canada Media Fund		2,640	2,377
Investment revenues and recoveries		1,009	828
Contributions to promotional support activities		247	424
Talent fund		228	29
Interest and other revenues		50	79
		4,174	3,737
<b>Net cost of operations before government funding</b>		57,473	50,297
<b>Government funding</b>			
Parliamentary appropriation		58,666	47,377
<b>Surplus (deficit)</b>		1,193	(2,920)
<b>Accumulated surplus, beginning of period</b>		44,668	45,815
<b>Accumulated surplus, end of period</b>		45,861	42,895

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



## Statement of Operations

For the nine-month period ended December 31, 2022

<i>In thousands of Canadian dollars</i>	Schedule	Period ended Dec 31		
		Cumulative Budget	Cumulative 2022	Cumulative 2021
<b>Assistance expenses</b>				
Development of the Canadian audiovisual industry				
Production Program		27,550	30,778	31,399
Development Program		9,000	8,362	7,058
Theatrical Documentary Program		1,900	3,831	1,770
International Funds Contribution		1,500	1,820	1,467
Talent to Watch Program		1,050	370	779
Administration of recommendations for audiovisual treaty coproduction		287	310	274
Community engagement contributions		200	-	100
		41,487	45,471	42,847
Promotional support in Canada and abroad				
Promotion Program and national and international promotional activities		18,111	19,263	8,196
Theatrical Exhibition Program		5,000	10,400	10,810
Marketing Program		5,400	2,719	2,755
International Promotion Program		775	913	324
Export Assistance Program		400	117	311
		29,686	33,412	22,396
Short-Term Compensation Fund		-	2,038	281
		71,173	80,921	65,524
<b>Operating and administrative expenses</b>	B	27,119	26,084	22,552
<b>Cost of operations</b>		98,292	107,005	88,076
<b>Revenues</b>				
Management fees from the Canada Media Fund		8,014	7,920	7,908
Investment revenues and recoveries		3,200	4,876	4,796
Harold Greenberg Fund		-	875	-
Contributions to promotional support activities		265	592	491
Talent Fund		600	241	244
Interest and other revenues		30	144	113
		12,109	14,648	13,552
<b>Net cost of operations before government funding</b>		86,183	92,357	74,524
<b>Government funding</b>				
Parliamentary appropriation		87,624	97,210	80,620
<b>Surplus</b>		1,441	4,853	6,096
<b>Accumulated surplus, beginning of period</b>		41,008	41,008	36,799
<b>Accumulated surplus, end of period</b>		42,449	45,861	42,895

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>	Dec. 31, 2022	March 31, 2022
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	75,329	70,873
Cash - Talent Fund	1,143	667
Cash - Harold Greenberg Fund	450	1,194
Accounts receivable	2,883	5,405
Receivable from the Canada Media Fund	26	844
	79,831	78,983
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,490	2,700
Deferred revenues - Talent Fund	845	600
Deferred revenues - Harold Greenberg Fund	285	1,160
Financial assistance program obligations	34,446	42,954
Liabilities for employee future benefits	913	872
	39,979	48,286
<b>Net financial assets</b>	39,852	30,697
<b>Non-financial assets</b>		
Tangible capital assets	5,116	5,200
Prepaid expenses	893	5,111
	6,009	10,311
<b>Accumulated surplus</b>	45,861	41,008

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



### Statement of Changes in Net Financial Assets

For the nine-month period ended December 31, 2022

<i>In thousands of Canadian dollars</i>	<b>Dec. 31, Budget</b>	<b>Dec. 31, 2022</b>	<b>March 31, 2022</b>
<b>Surplus</b>	1,441	4,853	4,209
<b>Tangible capital asset transactions</b>			
Amortization	808	828	1,040
Acquisitions	(281)	(744)	(918)
Write-down of tangible capital assets	-	-	3
<b>Other transactions</b>			
Acquisitions of prepaid expenses	(175)	(210)	(5,111)
Use of prepaid expenses	4,969	4,428	949
<b>Increase in net financial assets</b>	<b>6,762</b>	<b>9,155</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>37,459</b>	<b>39,852</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 December 31, 2022

	Period ended Dec 31	
	2022	2021
<i>In thousands of Canadian dollars</i>		
<b>Operating activities</b>		
Surplus	4,853	6,096
Items not affecting cash:		
Decrease in liabilities for employee future benefits	41	-
Amortization of tangible capital assets	828	755
	5,722	6,851
Changes in non-cash financial items:		
Decrease in accounts receivable	2,522	1,106
Decrease in receivable from the Canada Media Fund	818	652
Increase in accounts payable and accrued liabilities	790	605
Increase in deferred revenues - Talent Fund	245	483
Decrease in deferred revenues - Harold Greenberg Fund	(875)	-
Decrease of financial assistance program obligations	(8,508)	(3,270)
Decrease in prepaid expenses	4,218	761
	4,932	7,188
<b>Capital activities</b>		
Cash outflows to acquire tangible capital assets	(744)	-
<b>Increase in due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund</b>	4,188	7,188
<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>	76,922	75,539
<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, September 22, 2022 and December 15, 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	1,966	77,641
Development program	10,000	-	10,000
Theatrical Documentary Program	4,300	-	4,300
Strategics Contributions	4,000	(3,840)	160
Talent to Watch Program	3,475	20	3,495
International Funds Contribution	1,500	360	1,860
Administration of recommendations for audiovisual coproduction	379	-	379
Community engagement contributions	400	-	400
	99,729	(1,494)	98,235
Promotion Program and national and international promotional activities	24,698	1,394	26,092
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	10,074	52,947
	142,602	8,580	151,182
Administration	35,778	668	36,446
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 Dec 31	
	2022	2021
Salaries and employee benefits	5,846	5,432
Professional services	594	707
Rent, taxes, heating and electricity	514	498
Amortization of tangible capital assets	275	252
Information technology	205	159
Office expenses	116	211
Travel	84	19
Publications	(18)	26
	7,616	7,304

### B - Cumulative operating and administrative expenses

	Cumulative Budget	Period ended Dec. 31	
		2022	2021
Salaries and employee benefits	18,686	18,293	16,116
Professional services	3,162	2,664	2,064
Rent, taxes, heating and electricity	1,616	1,592	1,482
Information technology	1,402	1,544	1,360
Amortization of tangible capital assets	808	828	755
Office expenses	715	626	595
Travel	583	402	19
Publications	147	135	161
	27,119	26,084	22,552