

**TELEFILM**  
C A N A D A

**PARTNER  
OF ▶  
CHOICE**

**QUARTERLY FINANCIAL REPORT**

PERIOD ENDED DECEMBER 31, 2023

Third quarter of fiscal 2023-2024

[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. As a *Partner of choice*, we finance and promote an ever-evolving screen-based industry in Canada.

### Our mission

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

### Our vision

A screen industry in Canada that, through its resiliency, adaptability, and courage, stands as a bright beacon on the world stage. A leader in independent production, Canada sets the example in sustainable and inclusive screen content that is representative of all.

### Our work

With our team of skilled and passionate people, we actively finance, promote, export and showcase Canadian feature films at home and worldwide. We also work to stimulate demand for Canadian screen content while striving to improve access to our various support programs to foster the development of unique and diverse voices.

We guide filmmakers every step of the way: from training and mentoring at the beginning of their journey, to supporting them in development and production, from helping them promote their projects to partners and digital platforms, to supporting them in theatrical and festival releases. 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 Vancouver, Toronto, Montreal and Halifax.

## 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>1</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://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32665>



### **3. IMPORTANT CHANGES**

#### **Activities**

This year, the Corporation was again present at MIPCOM, the international marketplace for audiovisual content, which took place in Cannes from October 16 to 19. The Corporation's delegation was at the Canada Pavilion to support Canadian talent and organize networking and showcase events for Canadian content.

Representatives of the Corporation also participated in film screenings, panels and roundtables at ImagineNATIVE. This event is recognized for the excellence and innovation of its programming and as a world centre of Indigenous media arts.

In addition, the Corporation was once again the presenting partner of the Playback Film Summit, in its third edition this year. This virtual event is designed to support and celebrate Canada's independent feature film industry.

The Corporation also launched its Indigenous Reconciliation Plan, which is in line with our commitment to reconciliation and our desire to maintain fruitful relationships with Indigenous creators and partners. The plan is intended to be a living document that will be enriched through ongoing consultation with our partners to meet the needs of the industry and communities.

As for environmental responsibility, the Corporation published the results of its survey on awareness of sustainable development. For the second year, the Corporation commissioned Léger to survey audiovisual industry professionals to assess their interest in and knowledge of sustainable/green production practices and to measure changes in their understanding and behaviour compared to last year. The survey confirmed the importance of knowledge sharing and capacity building.

Last December, the Corporation took part in and made a presentation at the Canadian Radio-television and Telecommunications Commission's public hearings on "The Path Forward – Working towards a modernized regulatory framework regarding contributions to support Canadian and Indigenous content."

In addition, more than 3,000 content creation professionals from around the world attended Content London. The Corporation and the Canada Media Fund provided a dedicated meeting space for the Canadian delegation of more than 100 people. In partnership with the Société de développement des entreprises culturelles (SODEC), the Corporation provided a meeting space for the Quebec delegation.

As official partners of the Gala Québec Cinéma, the Corporation and SODEC, together with participating distributors, also participated in the Gala to present the feature films, short films and documentaries nominated for a 2023 Prix Iris.



#### **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.

The Governor General in Council re-appointed Etoile Stewart, member of the Board, for a term of five years.

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

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

During the quarter, the Audit and Finance Committee and the Communications and Public and Governmental Affairs Committee met once. The Nominating, Evaluation and Governance Committee met two times while the the Board of Directors met three times. The executive leadership team met eight 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, 2023. 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. The analysis tables present the initial budget approved by the Board of Directors.

### Assistance Expenses

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

For the nine-month period ended December 31, 2023

|   | Budget  |        | Actual    |           | Variance  |       |           |       |    |
|---|---------|--------|-----------|-----------|-----------|-------|-----------|-------|----|
|   | Annual  | Period | 2023-2024 | 2022-2023 | Budget \$ | %     | Actual \$ | %     |    |
| Production Program  | 83,080  | 36,500 | 46,103    | 30,778    | (9,603)   | (26)  | 15,325    | 50    | 1  |
| Development program   | 11,925  | 7,500  | 9,507     | 8,362     | (2,007)   | (27)  | 1,145     | 14    | 2  |
| Theatrical Documentary Program                                      | 4,500   | 2,800  | 5,025     | 3,831     | (2,225)   | (79)  | 1,194     | 31    | 3  |
| Talent to Watch Program   | 4,000   | 1,200  | 2,445     | 370       | (1,245)   | (104) | 2,075     | 561   | 4  |
| International Funds Contributions                                   | 1,700   | 1,700  | 1,732     | 1,820     | (32)      | (2)   | (88)      | (5)   |    |
| Administration of recommendations for audiovisual coproduction      | 379     | 285    | 306       | 310       | (21)      | (7)   | (4)       | (1)   |    |
| Community engagement contributions                                  | 400     | 150    | 136       | -         | 14        | 9     | 136       | -     |    |
|   | 105,984 | 50,135 | 65,254    | 45,471    | (15,119)  | (30)  | 19,783    | 44    |    |
| Marketing Program   | 10,485  | 6,150  | 6,621     | 2,719     | (471)     | (8)   | 3,902     | 144   | 5  |
| National promotion programs - Festivals and industry events support | 8,050   | 4,970  | 5,814     | 8,936     | (844)     | (17)  | (3,122)   | (35)  | 6  |
| National and International promotional activities                   | 8,055   | 5,446  | 5,652     | 10,327    | (206)     | (4)   | (4,675)   | (45)  | 7  |
| Theatrical Exhibition Program                                       | 750     | 650    | 1,218     | 10,400    | (568)     | (87)  | (9,182)   | (88)  | 8  |
| International Promotion Program                                     | 1,100   | 750    | 958       | 913       | (208)     | (28)  | 45        | 5     | 9  |
| Export Assistance Program   | 650     | 480    | 642       | 117       | (162)     | (34)  | 525       | 449   | 10 |
|   | 29,090  | 18,446 | 20,905    | 33,412    | (2,459)   | (13)  | (12,507)  | (37)  |    |
|   | 135,074 | 68,581 | 86,159    | 78,883    | (17,578)  | (26)  | 7,276     | 9     |    |
| Short-Term Compensation Fund  | -       | -      | -         | 2,038     | -         | -     | (2,038)   | (100) | 11 |
|   | 135,074 | 68,581 | 86,159    | 80,921    | (17,578)  | (26)  | 5,238     | 6     |    |



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

### Assistance Expenses (Cont.)

|   |  |                                   |          |   |
|---|--|-----------------------------------|----------|---|
| 1 | <b>Production Program</b>  | Current period<br>↗ than budget   | \$9,603  | Higher-than-expected rate of contract signings as a result of staffing levels   |
|   |  | Current period<br>↗ than previous | \$15,325 | Higher budget than in the prior year. A greater number of funding projects, including those over \$1 million, than in the prior year.                               |
| 2 | <b>Development program</b>   | Current period<br>↗ than budget   | \$2,007  | Contracts signed more quickly than expected.  |
|   |  | Current period<br>↗ than previous | \$1,145  | Increase in number of pre-qualified applications and budget compared to the prior year.   |
| 3 | <b>Theatrical Documentary Program</b>                                      | Current period<br>↗ than budget   | \$2,225  | The budget overrun was approved to account for the high number of financing applications received.  |
|   |  | Current period<br>↗ than previous | \$1,194  | The new guidelines require a higher financial contribution, so the difference is partly explained by this adjustment combined with the high number of applications. |
| 4 | <b>Talent to Watch Program</b>   | Current period<br>↗ than budget   | \$1,245  | Decisions completed earlier, and contracts signed at a faster pace than expected.   |
|   |  | Current period<br>↗ than previous | \$2,075  |   |
| 5 | <b>Marketing Program</b>   | Current period<br>↗ than previous | \$3,902  | Marketing campaigns on a larger scale than in the previous year. Signing of six major projects worth more than \$3.1 million.                                       |
| 6 | <b>National promotion programs - Festivals and industry events support</b> | Current period<br>↗ than budget   | \$844    | Funding applications under the Medium to Large-Scale Festivals Program were signed more quickly than expected.  |
|   |  | Current period<br>↘ than previous | \$3,122  | In 2022-2023, there were expenses related to non-recurring funding under the Reopening Fund.  |
| 7 | <b>National and International promotional activities</b>                   | Current period<br>↘ than previous | \$4,675  | In 2022-2023, expenses related to non-recurring funding under the Recovery Fund and the "Return to Cinema" promotional campaign.                                    |



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

### Assistance Expenses (Cont.)

|           |  |                                   |         |  |
|-----------|--|-----------------------------------|---------|--|
| <b>8</b>  | <b>Theatrical Exhibition Program</b>   | Current period<br>↗ than budget   | \$568   | Budget overrun approved to offset the end of additional non-recurring funding and to maintain the supply of Canadian films in theatres.                |
|           |  | Current period<br>↘ than previous | \$9,182 | In 2022-2023, there are expenditures related to non-recurring funding from the Recovery Fund and the Canada Arts and Culture Recovery Program (CACRP). |
| <b>9</b>  | <b>International Promotion Program</b> | Current period<br>↗ than budget   | \$208   | Budget overrun approved to support the higher-than-expected number of films selected for international festivals.                                      |
| <b>10</b> | <b>Export Assistance Program</b>       | Current period<br>↗ than budget   | \$162   | The program opened earlier this year and, due to demand and budgetary attainment, closed earlier than the comparative year.                            |
|           |  | Current period<br>↗ than previous | \$ 525  |  |
| <b>11</b> | <b>Short-Term Compensation Fund</b>    | Current period<br>↘ than previous | \$2,038 | Non-recurring program to address industry needs in the event of disruptions due to COVID-19. The program expired on March 31, 2023.                    |





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

### Operating and Administrative Expenses

Operating and administrative expenses were below budget and the comparative period.

For the nine-month period ended December 31, 2023

|   | Budget |        | Actual        |               | Variance |     |         |                   |
|---|--------|--------|---------------|---------------|----------|-----|---------|-------------------|
|   | Annual | Period | 2023-<br>2024 | 2022-<br>2023 | Budget   |     | Actual  |                   |
|   |        |        |               |               | \$       | %   | \$      | %                 |
| Salaries and employee benefits          | 25,568 | 19,374 | 18,104        | 18,293        | 1,270    | 7   | (189)   | (1)               |
| Professional services                   | 3,303  | 2,620  | 1,637         | 2,664         | 983      | 38  | (1,027) | (39) <sup>1</sup> |
| Rent, taxes, heating and electricity    | 2,198  | 1,640  | 1,602         | 1,592         | 38       | 2   | 10      | 1                 |
| Information technology                  | 2,180  | 1,637  | 1,536         | 1,544         | 101      | 6   | (8)     | (1)               |
| Amortization of tangible capital assets | 1,183  | 883    | 956           | 828           | (73)     | (8) | 128     | 15 <sup>2</sup>   |
| Office expenses                         | 1,170  | 803    | 431           | 626           | 372      | 46  | (195)   | (31) <sup>3</sup> |
| Travel                                  | 917    | 699    | 338           | 402           | 361      | 52  | (64)    | (16) <sup>4</sup> |
| Publications                            | 198    | 151    | 126           | 135           | 25       | 17  | (9)     | (7)               |
|   | 36,717 | 27,807 | 24,730        | 26,084        | 3,077    | 11  | (1,354) | (5)               |

|              |  |                                   |         |  |
|--------------|--|-----------------------------------|---------|--|
| <sup>1</sup> | <b>Professional services</b>                   | Current period<br>↘ than budget   | \$983   | A temporary gap exists for certain assignments and projects requiring consultants. Budget savings are expected by the end of the fiscal year.  |
|              |  | Current period<br>↘ than previous | \$1,027 | The Corporation used fewer professional services than in the prior year.   |
| <sup>2</sup> | <b>Amortization of tangible capital assets</b> | Current period<br>↗ than previous | \$128   | Amortization of the financial system upgrade costs and Dialogue platform development costs capitalized as at March 31.   |
| <sup>3</sup> | <b>Office expenses</b>                         | Current period<br>↘ than budget   | \$372   | Lower than expected training costs due to different needs and to the use of an internal tool instead of external services. Lower storage costs as a result of a new agreement. Some office equipment purchases were postponed to the last quarter or will not be incurred. |
|              |  | Current period<br>↘ than previous | \$195   | This was mainly due to non-recurring costs in the prior year related to the return to the office as well as a reduction in training and storage costs.   |
| <sup>4</sup> | <b>Travel</b>                                  | Current period<br>↘ than budget   | \$361   | Budget savings are expected. Some planned travel did not occur or occurred at a lower cost.  |



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

### Government Funding and Revenues

For the nine-month period ended December 31, 2023

|   | Budget  |         | Actual  |         | Variance |     |        |      |   |
|---|---------|---------|---------|---------|----------|-----|--------|------|---|
|   | Annual  | Period  | 2023-   | 2022-   | Budget   |     | Actual |      |   |
|   |         |         | 2024    | 2023    | \$       | %   | \$     | %    |   |
| Parliamentary appropriation                     | 151,908 | 88,567  | 99,635  | 97,210  | 11,068   | 12  | 2,425  | 2    | 1 |
| Management fees from the Canada Media Fund      | 10,961  | 8,221   | 8,133   | 7,920   | (88)     | (1) | 213    | 3    |   |
| Investment revenues and recoveries              | 7,500   | 4,500   | 5,081   | 4,876   | 581      | 13  | 205    | 4    | 2 |
| Harold Greenberg Fund                           | -       | -       | 285     | 875     | 285      | -   | (590)  | (67) | 3 |
| Interest and other revenues                     | 30      | 23      | 91      | 144     | 68       | 296 | (53)   | (37) |   |
| Contributions to promotional support activities | 325     | 285     | 495     | 592     | 210      | 74  | (97)   | (16) | 4 |
| Talent Fund                                     | 300     | 195     | 226     | 241     | 31       | 16  | (15)   | (6)  |   |
|   | 171,024 | 101,791 | 113,946 | 111,858 | 12,155   | 12  | 2,088  | 2    |   |

|   |   |                                   |          |   |
|---|---|-----------------------------------|----------|---|
| 1 | <b>Parliamentary appropriation</b>        | Current period<br>↗ than budget   | \$11,068 | Payments for funding programs, mainly the Production Program, were higher than expected.  |
| 2 | <b>Investment revenues and recoveries</b> | Current period<br>↗ than budget   | \$581    | Better revenue result compared to prior years' trends.  |
| 3 | <b>Harold Greenberg Fund</b>              | Current period<br>↗ than budget   | \$285    | One contract signed compared to three in the previous year. This was the last contract signed under the agreement with the Harold Greenberg Fund for the funding of Canadian audiovisual productions. |
|   |   | Current period<br>↘ than previous | \$590    |   |



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

### Government Funding and Revenues (Cont.)

- 4 Contributions to promotional support activities**
- |                                   |       |  |
|-----------------------------------|-------|--|
| Current period<br>↗ than budget   | \$210 | Time lag in invoicing and unanticipated income from participation in international festivals and events.   |
| Current period<br>↘ than previous | \$97  | Contributions may vary from year to year depending on initiatives, participation in international festivals and events, and the time lag of invoicing. |

## 8. ANALYSIS OF RESULTS FOR THE THIRD QUARTER

|                                       | Actual        |               | Variance |               |
|---------------------------------------|---------------|---------------|----------|---------------|
|                                       | 2023-<br>2024 | 2022-<br>2023 | \$       | %             |
| Assistance expenses                   | 48,457        | 54,031        | (5,574)  | (10) <b>1</b> |
| Operating and administrative expenses | 7,538         | 7,616         | (78)     | (1)           |
| Revenues                              | 3,935         | 4,174         | (239)    | (6)           |
| Parliamentary appropriation           | 52,342        | 58,666        | (6,324)  | (11) <b>2</b> |
| Surplus                               | 282           | 1,193         | (911)    | (76)          |

- 1 Assistance expenses** Current period  
↘ than previous \$5,574 End of authorized amounts for the Recovery and Reopening funds and the Canada Arts and Culture Recovery Program (CACRP).
- 2 Parliamentary appropriation** Current period  
↘ than previous \$6,324 End of authorized amounts for the Recovery and Reopening funds, the Canada Arts and Culture Recovery Program (CACRP) and the Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF). The variance is mitigated by increased payments for the Production Program and the National promotion programs - Festivals and industry events support.

## 9. ANALYSIS OF FINANCIAL POSITION

|   | Actual          |                  | Variance |         |
|---|-----------------|------------------|----------|---------|
|   | Dec 31,<br>2023 | Dec. 31,<br>2022 | \$       | %       |
| <b>Financial assets</b>                   |                 |                  |          |         |
| Due from Consolidated Revenue Fund        | 81,262          | 75,329           | 5,933    | 8       |
| Cash - Talent Fund                        | 119             | 1,143            | (1,024)  | (90) 1  |
| Cash - Harold Greenberg Fund              | 174             | 450              | (276)    | (61) 2  |
| Accounts receivable                       | 1,906           | 2,883            | (977)    | (34) 3  |
| Receivable from the Canada Media Fund     | -               | 26               | (26)     | (100)   |
|   | 83,461          | 79,831           | 3,630    | 5       |
| <b>Liabilities</b>                        |                 |                  |          |         |
| Accounts payable and accrued liabilities  | 2,943           | 3,490            | (547)    | (16)    |
| Deferred revenues - Talent Fund           | -               | 845              | (845)    | (100) 4 |
| Deferred revenues - Harold Greenberg Fund | -               | 285              | (285)    | (100) 5 |
| Financial assistance program obligations  | 40,577          | 34,446           | 6,131    | 18 6    |
| Liabilities for employee future benefits  | 913             | 913              | -        | -       |
| <b>Net financial assets</b>               | 39,028          | 39,852           | (824)    | (2)     |
| <b>Non-financial assets</b>               |                 |                  |          |         |
| Tangible capital assets                   | 4,223           | 5,116            | (893)    | (17) 7  |
| Prepaid expenses                          | 227             | 893              | (666)    | (75) 8  |
| <b>Accumulated surplus</b>                | 43,478          | 45,861           | (2,383)  | (5)     |

- 1 **Cash - Talent Fund** ↘ \$1,024 Donations from the Harold Greenberg Fund (HGF) were used for their intended purposes.
- 2 **Cash - Harold Greenberg Fund** ↘ \$276 The balance represents the amount still to be paid following the takeover in December 2021 of five productions funded under the HGF's French-language program.
- 3 **Accounts receivable** ↘ \$977 Decrease mainly due to taxes receivable related to higher investments in December 2022 and a delay in the remittance of taxes receivable related to the October 2022 return.
- 4 **Deferred revenues - Talent Fund** ↘ \$845 Donations received from the HGF were used for their intended purposes.
- 5 **Deferred revenues - Harold Greenberg Fund** ↘ \$285 Decrease due to the signing of an agreement to take over productions funded under the HGF's French-language program in December 2021.
- 6 **Financial assistance program obligations** ↗ \$6,131 Mainly due to additional contributions for applications funded in a prior year.
- 7 **Tangible capital assets** ↘ \$893 Amortization of Dialogue platform development costs capitalized as at March 31.
- 8 **Prepaid expenses** ↘ \$666 Mainly due to the costs of a national promotional campaign that were booked in 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,<br/>2023</b> | <b>Dec 31,<br/>2022</b> |
|---|-------------------------|-------------------------|
| <b>Cost of operations</b>   | 110,889                 | 107,005                 |
| Adjustment affecting the use of Parliamentary appropriation:  |                         |                         |
| Assistance expenses adjustment where Parliamentary appropriation eligibility criteria have been met | 1,040                   | 3,835                   |
| Assistance expenses funded by the Talent Fund   | (193)                   | (55)                    |
| Contributions to promotional support activities   | (495)                   | (592)                   |
| Prepaid expenses  | (2,281)                 | (4,218)                 |
| Operating expenses funded by the CMF  | (8,133)                 | (7,920)                 |
| Assistance expenses funded by the HGF   | (276)                   | (744)                   |
| Other administrative adjustments  | -                       | 32                      |
| Acquisitions of property and equipment  | -                       | 744                     |
| Salary recovery for payment in arrears transition   | (21)                    | (8)                     |
| Amortization  | (956)                   | (828)                   |
| Employee future benefits  | 62                      | (41)                    |
| <b>Use of Parliamentary appropriation at December 31</b>  | <b>99,636</b>           | <b>97,210</b>           |
| <b>Parliamentary appropriation planned for subsequent quarter</b>                                   | <b>55,640</b>           | <b>65,898</b>           |
| <b>Parliamentary appropriation planned</b>  | <b>151,908</b>          | <b>163,108</b>          |
| <b>Parliamentary appropriation - blocked assignments</b>  | <b>(125)</b>            | <b>-</b>                |
| <b>Parliamentary appropriation - adjustment</b>   | <b>3,493</b>            | <b>-</b>                |
| <b>Parliamentary appropriation authorized</b>   | <b>155,276</b>          | <b>163,108</b>          |

The amount of the parliamentary appropriation is taken from the 2023-2024 Main Estimates. In October 2023, the government confirmed that the parliamentary appropriation would be reduced by \$125,000. The parliamentary appropriation also includes an amount of \$3.5 million that is subject to the Supplementary Estimates (C) mechanism of 2023-2024.



## **11. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

### **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 "Julie Roy". The signature is stylized with a large, looping initial "J".

Julie Roy  
Executive Director & CEO

A handwritten signature in blue ink that reads "Patrick Bédard". The signature is written in a cursive style.

Patrick Bédard, CPA, MBA  
Vice President, Finance and Information Technology

Montreal, Canada  
February 29, 2024



## Quarterly Statement of Operations

For the three-month period ended December 31, 2023

| <i>In thousands of Canadian dollars</i>                               | Schedule | Quarter ended dec. 31 |        |
|---|----------|-----------------------|--------|
|   |          | 2023                  | 2022   |
| <b>Assistance expenses</b>  |          |                       |        |
| Development of the Canadian audiovisual industry                      |          |                       |        |
| Production Program  |          | 21,957                | 20,775 |
| Development Program   |          | 9,238                 | 7,816  |
| Theatrical Documentary Program  |          | 4,405                 | 3,326  |
| Talent to Watch Program   |          | 2,445                 | 360    |
| International Funds Contributions                                     |          | 1,699                 | 1,820  |
| Community engagement contributions                                    |          | 111                   | -      |
| Administration of recommendations for audiovisual treaty coproduction |          | 85                    | 112    |
|   |          | 39,940                | 34,209 |
| Promotional support in Canada and abroad                              |          |                       |        |
| National promotion programs - Festivals and industry events support   |          | 2,991                 | 2,614  |
| National and International promotional activities                     |          | 2,546                 | 4,025  |
| Marketing Program   |          | 1,241                 | 1,204  |
| Theatrical exhibition program   |          | 1,218                 | 10,400 |
| International Promotion Program                                       |          | 384                   | 475    |
| Export Assistance Program   |          | 137                   | 117    |
|   |          | 8,517                 | 18,835 |
| Short-Term Compensation Fund  |          | -                     | 987    |
|   |          | 48,457                | 54,031 |
| <b>Operating and administrative expenses</b>                          | A        | 7,538                 | 7,616  |
| <b>Cost of operations</b>   |          | 55,995                | 61,647 |
| <b>Revenues</b>   |          |                       |        |
| Management fees from the Canada Media Fund                            |          | 2,663                 | 2,640  |
| Investment revenues and recoveries                                    |          | 850                   | 1,009  |
| Talent fund   |          | 219                   | 228    |
| Contributions to promotional support activities                       |          | 186                   | 247    |
| Interest and other revenues   |          | 17                    | 50     |
|   |          | 3,935                 | 4,174  |
| <b>Net cost of operations before government funding</b>               |          | 52,060                | 57,473 |
| <b>Government funding</b>   |          |                       |        |
| Parliamentary appropriation   |          | 52,342                | 58,666 |
| <b>Surplus</b>  |          | 282                   | 1,193  |
| <b>Accumulated surplus, beginning of period</b>                       |          | 43,196                | 44,668 |
| <b>Accumulated surplus, end of period</b>                             |          | 43,478                | 45,861 |

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



## Statement of Operations

For the nine-month period ended December 31, 2023

| <i>In thousands of Canadian dollars</i>                               | Schedule | Period ended Dec. 31 |                 |                 |
|---|----------|----------------------|-----------------|-----------------|
|   |          | Cumulative Budget    | Cumulative 2023 | Cumulative 2022 |
| <b>Assistance expenses</b>  |          |                      |                 |                 |
| Development of the Canadian audiovisual industry                      |          |                      |                 |                 |
| Production Program  |          | 36,500               | 46,103          | 30,778          |
| Development Program   |          | 7,500                | 9,507           | 8,362           |
| Theatrical Documentary Program  |          | 2,800                | 5,025           | 3,831           |
| Talent to Watch Program   |          | 1,200                | 2,445           | 370             |
| International Funds Contributions                                     |          | 1,700                | 1,732           | 1,820           |
| Administration of recommendations for audiovisual treaty coproduction |          | 285                  | 306             | 310             |
| Community engagement contributions                                    |          | 150                  | 136             | -               |
|   |          | 50,135               | 65,254          | 45,471          |
| Promotional support in Canada and abroad                              |          |                      |                 |                 |
| Marketing Program   |          | 6,150                | 6,621           | 2,719           |
| National promotion programs - Festivals and industry events support   |          | 4,970                | 5,814           | 8,936           |
| National and International promotional activities                     |          | 5,446                | 5,652           | 10,327          |
| Theatrical Exhibition Program   |          | 650                  | 1,218           | 10,400          |
| International Promotion Program                                       |          | 750                  | 958             | 913             |
| Export Assistance Program   |          | 480                  | 642             | 117             |
|   |          | 18,446               | 20,905          | 33,412          |
| Short-Term Compensation Fund  |          | -                    | -               | 2,038           |
|   |          | 68,581               | 86,159          | 80,921          |
| <b>Operating and administrative expenses</b>                          | B        | 27,807               | 24,730          | 26,084          |
| <b>Cost of operations</b>   |          | 96,388               | 110,889         | 107,005         |
| <b>Revenues</b>   |          |                      |                 |                 |
| Management fees from the Canada Media Fund                            |          | 8,221                | 8,133           | 7,920           |
| Investment revenues and recoveries                                    |          | 4,500                | 5,081           | 4,876           |
| Contributions to promotional support activities                       |          | 285                  | 495             | 592             |
| Harold Greenberg Fund   |          | -                    | 285             | 875             |
| Talent Fund   |          | 195                  | 226             | 241             |
| Interest and other revenues   |          | 23                   | 91              | 144             |
|   |          | 13,224               | 14,311          | 14,648          |
| <b>Net cost of operations before government funding</b>               |          | 83,164               | 96,578          | 92,357          |
| <b>Government funding</b>   |          |                      |                 |                 |
| Parliamentary appropriation   |          | 88,567               | 99,635          | 97,210          |
| <b>Surplus</b>  |          | 5,403                | 3,057           | 4,853           |
| <b>Accumulated surplus, beginning of period</b>                       |          | 40,421               | 40,421          | 41,008          |
| <b>Accumulated surplus, end of period</b>                             |          | 45,824               | 43,478          | 45,861          |

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





### Statement of Financial Position

| <i>In thousands of Canadian dollars</i>   | Dec. 31,<br>2023 | March 31,<br>2023 |
|---|------------------|-------------------|
| <b>Financial assets</b>                   |                  |                   |
| Due from Consolidated Revenue Fund        | 81,262           | 77,568            |
| Cash - Talent Fund                        | 119              | 93                |
| Cash - Harold Greenberg Fund              | 174              | 450               |
| Accounts receivable                       | 1,906            | 5,397             |
| Receivable from the Canada Media Fund     | -                | 925               |
|   | 83,461           | 84,433            |
| <b>Liabilities</b>                        |                  |                   |
| Accounts payable and accrued liabilities  | 2,943            | 2,874             |
| Deferred revenues - Harold Greenberg Fund | -                | 285               |
| Financial assistance program obligations  | 40,577           | 47,565            |
| Liabilities for employee future benefits  | 913              | 975               |
|   | 44,433           | 51,699            |
| <b>Net financial assets</b>               | 39,028           | 32,734            |
| <b>Non-financial assets</b>               |                  |                   |
| Tangible capital assets                   | 4,223            | 5,179             |
| Prepaid expenses                          | 227              | 2,508             |
|   | 4,450            | 7,687             |
| <b>Accumulated surplus</b>                | 43,478           | 40,421            |

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



### Statement of Changes in Net Financial Assets

| <i>In thousands of Canadian dollars</i>        | <b>Dec. 31,<br/>Budget</b> | <b>Dec. 31,<br/>2023</b> | <b>March 31,<br/>2023</b> |
|--|----------------------------|--------------------------|---------------------------|
| <b>Surplus (deficit)</b>                       | 5,403                      | 3,057                    | (587)                     |
| <b>Tangible capital asset transactions</b>     |                            |                          |                           |
| Amortization                                   | 883                        | 956                      | 1,167                     |
| Acquisitions                                   | -                          | -                        | (1,146)                   |
| <b>Other transactions</b>                      |                            |                          |                           |
| Acquisitions of prepaid expenses               | (164)                      | (227)                    | (2,458)                   |
| Use of prepaid expenses                        | 1,500                      | 2,508                    | 5,061                     |
| <b>Increase in net financial assets</b>        | <b>7,622</b>               | <b>6,294</b>             | <b>2,037</b>              |
| <b>Net financial assets, beginning of year</b> | <b>32,734</b>              | <b>32,734</b>            | <b>30,697</b>             |
| <b>Net financial assets, end of period</b>     | <b>40,356</b>              | <b>39,028</b>            | <b>32,734</b>             |

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



## Statement of Cash Flows

For the period ended December 31, 2023

|  | Period ended Dec. 31 |         |
|--|----------------------|---------|
|  | 2023                 | 2022    |
| <i>In thousands of Canadian dollars</i>  |                      |         |
| <b>Operating activities</b>  |                      |         |
| Surplus  | 3,057                | 4,853   |
| Items not affecting cash:  |                      |         |
| Increase (decrease) in liabilities for employee future benefits  | (62)                 | 41      |
| Amortization of tangible capital assets  | 956                  | 828     |
|  | 3,951                | 5,722   |
| Changes in non-cash financial items:   |                      |         |
| Decrease in accounts receivable  | 3,491                | 2,522   |
| Decrease in receivable from the Canada Media Fund  | 925                  | 818     |
| Increase in accounts payable and accrued liabilities   | 69                   | 790     |
| Increase in deferred revenues - Talent Fund  | -                    | 245     |
| Decrease in deferred revenues - Harold Greenberg Fund  | (285)                | (875)   |
| Decrease of financial assistance program obligations   | (6,988)              | (8,508) |
| Decrease in prepaid expenses   | 2,281                | 4,218   |
|  | 3,444                | 4,932   |
| <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>          | 3,444                | 4,188   |
| <b>Due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund, beginning of period</b> | 78,111               | 72,734  |
| <b>Due from Consolidated Revenue Fund and cash of Talent Fund and Harold Greenberg Fund, end of period</b>       | 81,555               | 76,922  |

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



## Note 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, 2023. The significant accounting policies used in these quarterly financial statements are similar to those used in the annual financial statements of March 31, 2023.

## Schedule A and B - Other Information

### A - Operating and administrative expenses

|   | Quarter ended Dec. 31 |       |
|---|-----------------------|-------|
|   | 2023                  | 2022  |
| Salaries and employee benefits          | 5,563                 | 5,846 |
| Professional services                   | 577                   | 594   |
| Rent, taxes, heating and electricity    | 520                   | 514   |
| Amortization of tangible capital assets | 323                   | 275   |
| Office expenses                         | 217                   | 116   |
| Information technology                  | 190                   | 205   |
| Travel                                  | 123                   | 84    |
| Publications                            | 25                    | (18)  |
|   | 7,538                 | 7,616 |

### B - Cumulative operating and administrative expenses

|   | Cumulative Budget | Period ended Dec. 31 |        |
|---|-------------------|----------------------|--------|
|   |                   | 2023                 | 2022   |
| Salaries and employee benefits          | 19,374            | 18,104               | 18,293 |
| Professional services                   | 2,620             | 1,637                | 2,664  |
| Rent, taxes, heating and electricity    | 1,640             | 1,602                | 1,592  |
| Information technology                  | 1,637             | 1,536                | 1,544  |
| Amortization of tangible capital assets | 883               | 956                  | 828    |
| Office expenses                         | 803               | 431                  | 626    |
| Travel                                  | 699               | 338                  | 402    |
| Publications                            | 151               | 126                  | 135    |
|   | 27,807            | 24,730               | 26,084 |