Quarterly Financial Report

Period ended December 31, 2012

Published February 19, 2013

TELEFILM

Canada

TELEFILM CANADA

TABLE OF CONTENT

1. TELEFILM 3
- Funding 3
- Promotion 3
- Administering programs 3

2. QUARTERLY FINANCIAL REPORT 3

3. IMPORTANT CHANGES 3
- Programs 3
- Activities 4
- Personnel 4

4. GOVERNANCE AND INTERNAL AUDIT 4

5. RISK MANAGEMENT 4

6. UNADJUSTED DIFFERENCES 5

7. ANALYSIS OF CUMULATIVE RESULTS 5
- Assistance Expenses 5
- Operating and Administrative Expenses 6
- Revenues and Government Funding 7

8. ANALYSIS OF RESULTS FOR THE THIRD QUARTER 8

9. ANALYSIS OF FINANCIAL POSITION 9

10. RECONCILIATION OF COST OF OPERATION AND PARLIAMENTARY APPROPRIATION 10

11. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
- Statement of Management Responsibility 11
- Quarterly Statement of Operations 12
- Statement of Operations 13
- Statement of Financial Position 14
- Statement of Change in Net Financial Assets 15
- Statement of Cash Flows 16
- Notes to the Quarterly Financial Statements 17
- Schedules A and B - Other Information 18

TELEFILM CANADA

1. TELEFILM

Telefilm Canada is a Crown corporation reporting to Parliament through the Department of Canadian Heritage. Our mission is inspired by its mandate to foster and promote the development of the Canadian audiovisual industry by playing a leadership role through financial support and initiatives that contribute to the industry's cultural, industrial and commercial success. The Corporation offers its services through its Vancouver, Toronto, Montreal and Halifax offices.

Funding

Telefilm financially supports the development and production (including treaty coproductions) of feature films that have potential for success in Canada and abroad.

Promotion

Telefilm acts to stimulate audience demand for Canadian screen-based content at home and abroad, notably by:

- supporting the marketing and promotion of feature films and Canadian talent, and participating in industry events such as festivals and markets that help Canadian audiovisual companies showcase and sell their productions;
- forging partnerships to help the industry promote its productions and talent around the world and promoting diversity and emerging creators from official language minorities and Aboriginal communities.

Administering programs

In addition to administering its own programs and initiatives, Telefilm administers program funds for the Canada Media Fund (CMF) through a services agreement.

2. QUARTERLY FINANCIAL REPORT

This quarterly financial report complies with all requirements of the Standard on Quarterly Financial Reports for Crown Corporations[1] 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.

3. IMPORTANT CHANGES

Programs

In October, the Corporation launched its new production program for French-language projects, which takes effect in fiscal 2013-2014. The program guidelines were simplified and the process intends to faster decision-making, with evaluation criteria now taking account, notably, of previous successes and market participation.

1 : www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18789&section=text

TELEFILM CANADA

3. IMPORTANT CHANGES (CONTINUED)

Activities

During the quarter, Telefilm supported 18 new productions for a total amount of $8.8 million. In addition, in November the Corporation held its fourth annual public assembly[2] in Toronto, where it presented highlights of its 2011-2012 annual report[3]. The Chair of the Board and the Executive Director communicated the initiatives and results of what proved to be a fruitful fiscal year. Furthermore, 2013 promises to be productive in terms of the Corporation's partnering activities. In this regard, the Corporation undertook a number of promotional activities during the Palm Springs International Film Festival, in January 2013, including Canada: A World of Talent and Palm Springs Speaks French (in collaboration with the consortium of francophone organizations). The festival presented 13 Canadian films.

Personnel

The Honourable James Moore, Minister of Canadian Heritage and Official Languages, announced that the federal government had renewed Michel Roy's mandate as Chair of Telefilm's Board for a further five years. There were no other changes to the composition of the Board or the Management Committee. The Corporation also underlines the achievements of its Executive Director, Carolle Brabant, who was awarded the 12th Prix Femmes d'affaires du Québec in the Executive or Professional, Public or Parapublic Organization category. The Réseau des Femmes d'affaires du Québec honours women who are making a mark in the business world and contributing to the development of Quebec society.

4. GOVERNANCE AND INTERNAL AUDIT

Governance of the Corporation is carried out through the activities of the Board and its committees and by the Management Committee, chaired by the Executive Director, and its subcommittees. In connection with corporate governance, a risk management committee was established during the quarter. The committee comprises all members of the Management Committee and assists the Executive Director in matters pertaining to the identification, assessment and prioritization of risk and the measures needed to adequately control risk.

The Board, the Audit and Finance Committee each held one meeting during the quarter, while the Management Committee and its subcommittees met regularly. The Corporation mandates an independant external firm with the task of conducting internal audits, and accountability is carried out by the Corporation's Audit and Finance Committee. To date, three of five planned engagements have been completed.

5. RISK MANAGEMENT

During the quarter, senior management reviewed the Corporation's governance of risk management. Responsibility for the assessment and implementation of risk-mitigation measures were assigned to members of the Corporation's Management Committee. The latest risk assessment, conducted during the second quarter of the current fiscal year, found that there had been an overall decline in the level of identified risks.

2 : www.telefilm.ca/en/news/speeches
3 : www.telefilm.ca/rapport-annuel/2011-2012/index-en.html

6. UNADJUSTED DIFFERENCES

Management strives to produce relevant financial information in compliance with CPSAS and within the closing timeframe established by the Receiver General of Canada, namely five business days after the end of the quarter. Accordingly, Management uses means and methods that allow it to identify the required adjustments. For efficiency purposes, certain cut-off procedures applicable to the accounts payable and receivable cycles, the capitalization of expenses components in the fixed assets and certain adjustments concerning liabilities for employee future benefits were not carried out at December 31, 2012. Given the importance of these adjustments to make to the amounts, classification or presentation is deemed immaterial by Management, the financial statements provide a fair representation in all their significant aspects.

7. ANALYSIS OF CUMULATIVE RESULTS

The identification of variances to be explained is based on thresholds established in collaboration with the Corporation's Audit and Finance Committee.

Assistance Expenses

For the nine-month period ended December 31, 2012

	Budget ($M)		Actual ($M)		Variance			
			2012-	2011-	Budget		Actual	
	Annual	Period	**2013**	2012	$	%	$	%
Production	68.1	46.9	41.2	39.8	5.7	12	1.4	4
Development	6.6	6.6	6.1	5.0	0.5	8	1.1	22
	74.7	53.5	47.3	44.8	6.2	12	2.5	6
Marketing	15.9	10.4	8.6	8.1	1.8	17	0.5	6
International events	2.5	1.8	1.7	1.8	0.1	6	(0.1)	(6)
Promotion	7.1	6.4	5.1	4.6	1.3	20	0.5	11
	25.5	18.6	15.4	14.5	3.2	17	0.9	6
	100.2	72.1	62.7	59.3	9.4	13	3.4	6

Production assistance expenses show significant variances relative to the budget. The budgetary surplus is tied to specific circumstances and derives from delays in the finalization of certain projects, notably those included in the English-language performance envelope component. This variance is expected to lessen during the last quarter.

Development assistance expenses are higher than those of the comparative reference period. This can be explained by changes made to the way contracts are awarded under the new development program, with contracts now awarded on the basis of a company's portfolio of projects. Due to the program's new management parameters, program applications are now processed more quickly.

Distribution and marketing assistance show a budgetary surplus, which derives from the program's selective stream and is due, notably, to a delay of agreements finalized in January. There is a possibility that part of the budgetary surplus will be reallocated to the Corporation's other programs.

7. ANALYSIS OF CUMULATIVE RESULTS (CONTINUED)

Promotion assistance expenses, for their part, show both a budgetary surplus and increased expenses when compared with the previous period. The budgetary surplus can be traced in large part to the fact that the Corporation revised the deployment structure of its national promotional strategy and changed the timing of the launch of related initiatives. Moreover, the new promotion program now features a standardized process, which serves to speed up the treatment of applicable funding requests; which, in turn, led to a higher number of funded activities when compared to the same period in the previous fiscal year.

Operating and Administrative Expenses

For the nine-month period ended December 31, 2012

	Budget ($M)		Actual ($M)		Variance			
			2012-	2011-	Budget		Actual	
	Annual	Period	**2013**	2012	$	%	$	%
Salaries & wages	21.0	15.2	14.7	14.8	0.5	3	(0.1)	(1)
Rent	1.9	1.4	1.4	1.5	-	-	(0.1)	(7)
Professional services	2.6	1.9	1.0	1.4	0.9	47	(0.4)	(29)
Information technology	1.3	1.1	1.0	0.9	0.1	9	0.1	11
Amortization	n/a	n/a	0.8	0.8	n/a	n/a	-	-
Travel	0.6	0.5	0.4	0.5	0.1	20	(0.1)	(20)
Office expenses	0.8	0.6	0.3	0.5	0.3	50	(0.2)	(40)
Advertising & publications	0.4	0.2	0.2	0.2	-	-	-	-
	28.6	20.9	19.8	20.6	1.9	9	(0.8)	(4)

Overall, the Corporation's variances are favourable, that is, it recorded a temporary budgetary surplus as at December 31 and lower expenses relative to comparative data. Professional fees show a significant budgetary surplus, deriving from certain corporate, research and strategic-analysis projects-—notably, industry surveys—that will be undertaken during the fourth quarter. Furthermore, a significant portion of budgeted funds have already been committed contractually with service providers, meaning that no significant savings are expected between now and March 31. At the same time, the budgetary surplus for professional fees includes an amount related to an upgrade of accounting computer systems, for which expenses incurred to date were recorded under capital assets. Furthermore, professional fees are decreasing relative to the comparative data. This decrease is due mainly to the use during the previous quarter of certain non-repetitive services related to the implementation of corporate plan initiatives, such as the launch of the Talent Fund and the strategic initiative for the promotion of Canadian works. In addition, part of the decrease stems from a decrease in professional fees tied to the financing request process.

Information technology expenses are higher relative to the comparative period, and stem mainly from inherent computer equipment and service costs. Travel expenses show favourable variances relative to both the budget and data for the previous fiscal period. Travel expenses were subject to a budget decrease relative to last year, and certain planned trips are being reassessed. In addition, the lower travel costs can be explained by the fact that a number of activities do not recur from one fiscal period to the next, such as those related to training activities; furthermore, travel expenses were incurred during the previous fiscal year for a project involving cross-Canada consultations.

7. ANALYSIS OF CUMULATIVE RESULTS (CONTINUED)

Finally, office expenses are lower in comparison to both budgetary expectations and the comparative data. This favourable budgetary position was due, among other reasons, to a reassessment of training and professional development activities, deferment of upgrades of certain computer equipment, and to a review of the Corporation's needs with respect to statistical information. Furthermore, the decrease in office expenses relative to comparative results stems mainly from savings obtained by the non-renewal of industry-data compilation services and by the new promotion program taking over responsibility for promotional activities.

Revenues and Government Funding

For the nine-month period ended December 31, 2012

	Budget ($M)		Actual ($M)		Variance			
			2012-2013	2011-2012	Budget		Actual	
	Annual	Period			$	%	$	%
Parliamentary appropriation	103.0	80.1	83.2	78.0	3.1	4	5.2	7
Management fees from the CMF	10.4	7.9	7.6	7.7	(0.3)	(4)	(0.1)	(1)
Investment revenues and recoveries	9.0	5.0	6.8	5.8	1.8	36	1.0	17
Interest and other revenues	n/a	n/a	0.1	0.1	0.1	n/a	-	-
	122.4	93.0	97.7	91.6	4.7	5	6.1	7

The use of the parliamentary appropriation is predictable and stable, implying that there is little variance with the budget or with results from the previous fiscal period. Revenues from investments and recoveries are less predictable. Indeed, it is difficult to predict investment and recovery levels because they flow directly from returns on a numerous number of funded projects in both feature-film production and in marketing, and these projects change from one fiscal period to another. The higher revenues this year relative to the comparative period are due mainly to recoveries on marketing projects, which, generally speaking, offer higher returns on the most profitable titles. For example, Barney's Version has to date returned more than twice the recoveries than did the most profitable title in the previous fiscal year.

8. ANALYSIS OF RESULTS FOR THE THIRD QUARTER

	Actual ($M)		Variance	
	2012-2013	2011-2012	$	%
Assistance expenses	17.1	21.9	(4.8)	(22)
Operating and administrative expenses	6.6	6.9	(0.3)	(4)
Revenues	3.2	3.6	(0.4)	(11)
Parliamentary appropriation	29.7	32.1	(2.4)	(7)
Surplus	9.2	6.9	2.3	33

Assistance expenses decreased by almost $5 million relative to the comparative period. This decrease can be broken down into three identifiable elements: an overall drop in the number of supported projects for all production activities (that is, performance and selective envelope components, as well as lower-budget projects); a remedial of the first semester on all marketing projects which offsets the lower expenses; and a drop in the number of activities related to the funding of promotional initiatives. As expected, because of the new promotion program, recurring promotional activities were funded earlier in the quarter, in contrast with the situation in the third quarter of the previous year. Revenues are somewhat lower, stemming mainly from a drop in investment and recovery revenues. An in-depth analysis does not reveal that any significant trends are developing as far as this drop is concerned. In connection with this matter, production and distribution companies will be asked to submit their exploitation reports, together with their returns, in February.

9. ANALYSIS OF FINANCIAL POSITION

	Actual ($M)		Variance	
	Dec. 31 2012	March 31, 2012	$	%
Financial assets				
Due from Consolidated Revenue Fund	50.0	41.1	8.9	22
Cash - Talent Fund	-	-	-	-
Accounts receivable	2.5	4.0	(1.5)	(38)
Receivable from CMF	2.6	2.6	-	-
	55.1	47.7	7.4	16
Financial liabilities				
Accounts payables	1.5	1.6	(0.1)	(6)
Financial assistance programs obligations	24.1	33.9	(9.8)	(29)
Liabilities for employee future benefits	2.2	2.2	-	-
Net financial assets	27.3	10.0	17.3	173
Non-financial assets				
Tangible capital assets	1.6	2.3	(0.7)	(30)
Prepaid expenses	0.7	1.9	(1.2)	(63)
Accumulated surplus	29.6	14.2	15.4	108

Financial assets

Our most important financial asset, the amount receivable from Canada, has risen since March 31, 2012. This increase is due mainly to recoveries recorded over the last nine months. Accounts receivable, made up mostly of balances receivable deriving from investment income, recoveries and taxes, have decreased significantly. The decrease is mainly due to the amounts collected from distributors and from lower taxe receivable to be recovered. It should be noted that the lower amount of taxes receivable to be recovered is consistent with a decrease in investment activities in the third quarter relative to the level of activities during the last months of fiscal 2011-2012.

Financial liabilities

Obligations relative to funding programs represent the overall balances for all amounts contractually committed with Canada's audiovisual industry, and this decreased liability derives from payments disbursed for contracts covering previous fiscal periods. It should be noted that liabilities also include residual balances inherent to contractual agreements in effect for the current fiscal period.

Non-financial assets

There is a decrease in the net value of capital assets, stemming for the most part from amortization during the period. Finally, there was a significant decrease in prepaid expenses. All prepaid expenses for the previous fiscal year were recorded as expenses in the current period and the new balance stems from future rents as well as expenses relative to international events to be held over the next few months.

TELEFILM CANADA

10. RECONCILIATION OF COST OF OPERATION 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.

	Dec. 31 2012
Cost of operations	82.6
Adjustment affecting cost of operations :	
Amortization	(0.8)
Employee future benefits	(0.1)
Adjustments affecting the use of Parliamentary appropriation :	
Adjustment related to eligibility criteria of assistance expenses	10.0
Operating expenses funded by the CMF	(7.6)
Prepaid administrative expenses at March 31	(1.2)
Prepaid administrative expenses at December 31	0.1
Acquisition of property and equipment	0.1
	1.4
Use of Parliamentary appropriation at December 31	83.2
Parliamentary appropriation available for subsequent quarter	19.8
Parliamentary appropriation authorized	103.0

The amount of the Parliamentary appropriation comes from the 2012-2013 Main Estimates reduced by the savings announced in the federal government's budget last March.

TELEFILM CANADA

11. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012

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 Standard on Quarterly Financial Reports for Crown Corporations 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.

Carolle Brabant, CPA, CA, MBA
Executive director

Denis Pion
Director - Administration and Corporate Services

Montreal, Canada
February 19, 2013

TELEFILM CANADA

Quarterly Statement of Operations

For the three-month period ended December 31, 2012

In thousand of dollars	Schedule	Period ended Dec. 31 2012	Restated - Note 2 2011
Assistance expenses			
Development of the Canadian audiovisual industry			
Production assistance		8,963	14,827
Development assistance		2,346	2,000
		11,309	16,827
Promotional support in Canada and abroad			
Distribution and marketing assistance		4,415	2,903
Participation in international events		296	146
Promotion		1,077	1,983
		5,788	5,032
		17,097	21,859
Operating and administrative expenses	A	6,599	6,891
Cost of operations		23,696	28,750
Revenues			
Management fees from the Canada Media Fund		2,523	2,599
Investment revenues and recevories		600	941
Interest and other revenues		25	10
Talent fund		30	-
		3,178	3,550
Net cost of operations before government funding		20,518	25,200
Government funding			
Parliamentary appropriation		29,654	32,057
Surplus		9,136	6,857
Accumulated surplus, beginning of period		20,293	15,875
Accumulated surplus, end of period		29,429	22,732

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

TELEFILM CANADA

Statement of Operations

For the nine-month period ended December 31, 2012

In thousand of dollars	Schedule	Cumulative Budget	2012 Cumulative	Restated - Note 2 2011
		Period ended Dec. 31		
Assistance expenses				
Development of the Canadian audiovisual industry				
Production assistance		46,874	41,209	39,813
Development assistance		6,583	6,088	4,987
		53,457	47,297	44,800
Promotional support in Canada and abroad				
Distribution and marketing assistance		10,408	8,560	8,125
Participation in international events		1,775	1,705	1,764
Promotion		6,399	5,134	4,602
		18,582	15,399	14,491
		72,039	62,696	59,291
Operating and administrative expenses	B	20,902	19,872	20,623
Cost of operations		92,941	82,568	79,914
Revenues				
Management fees from the Canada Media Fund		7,920	7,586	7,745
Investment revenues and recevories		5,000	6,811	5,756
Interest and other revenues		-	107	63
Talent fund		-	30	-
		12,920	14,534	13,564
Net cost of operations before government funding		80,021	68,034	66,350
Government funding				
Parliamentary appropriation		80,094	83,242	77,957
Surplus		73	15,208	11,607
Accumulated surplus, beginning of period			14,221	11,125
Accumulated surplus, end of period			29,429	22,732

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

TELEFILM CANADA

Statement of Financial Position

In thousand of dollars	**December 31, 2012**	**March 31, 2012**
Financial assets		
Due from Consolidated Revenue Fund	49,974	41,088
Cash - Talent Fund	30	-
Accounts receivables	2,477	4,010
Receivable from the Canada Media Fund	2,554	2,636
	55,035	47,734
Financial liabilities		
Accounts payable and accrued liabilities	1,517	1,572
Financial assistance programs obligations	24,080	33,894
Liabilities for employee future benefits	2,246	2,186
	27,843	37,652
Net financial assets	27,192	10,082
Non-financial assets		
Tangible capital assets	1,579	2,264
Prepaid expenses	658	1,875
	2,237	4,139
Accumulated surplus	29,429	14,221

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

TELEFILM CANADA

Statement of Change in Net Financial Assets

For the nine-month period ended December 31, 2012

In thousand of dollars	**December 31, 2012**	**March 31, 2012**
Surplus	15,208	3,096
Tangible capital asset transactions		
Amortization	790	1,092
Acquisition	(105)	(93)
Other transactions		
Acquisition of prepaid expenses	(658)	(1,875)
Use of prepaid expenses	1,875	1,797
Increase in net financial assets	17,110	4,017
Net financial assets, beginning of period	10,082	6,065
Net financial assets, end of period	27,192	10,082

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

TELEFILM
CANADA

Statement of Cash Flows

For the period ended December 31, 2012

	Quarter ended Dec. 31		Period ended Dec. 31	
	2012	Restated - Note 2 2011	2012	Restated - Note 2 2011
Operating transactions				
Surplus	9,136	6,857	15,208	11,607
Items not affecting cash:				
Decrease in financial assistance programs obligations	(8,380)	(5,779)	(9,814)	(6,623)
Increase (decrease) for employee future benefits	42	13	60	(11)
Amortization of tangible capital assets	254	267	790	815
	1,052	1,358	6,244	5,788
Changes in non-cash financial items:				
Decrease in accounts receivable	3,050	70	1,533	358
Decrease (increase) in receivable from the Canada media Fund	(98)	(39)	82	387
Increase (decrease) in accounts payable and acrrued liabilities	417	(977)	(55)	(649)
Decrease (increase) in prepaid expenses	(514)	(389)	1,217	1,265
	3,907	23	9,021	7,149
Capital transactions				
Acquisition	(105)	-	(105)	(76)
Increase in liquidities	3,802	23	8,916	7,073
Liquidities, beginning of period	46,202	44,289	41,088	37,239
Liquidities, end of period	50,004	44,312	50,004	44,312
Liquidities, end of period:				
Due from Consolidated Revenue Fund	49,974	44,312	49,974	44,312
Cash - Talent Fund	30	-	30	-
	50,004	44,312	50,004	44,312

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

TELEFILM CANADA

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 Canadian Public Sector Accounting Standards (CPSAS) pursuant to the Standard on Quarterly Financial Reports for Crown Corporations issued by the Treasury Board of Canada. They must be read in conjunction with the most recent annual audited financial statements of March 31, 2012. The accounting and calculation methods used in these quarterly financial statements are identical to those used in the annual financial statements of March 31, 2012.

The financial data in the financial statements, the accompanying notes and schedules are expressed in thousands of Canadian dollars.

2. Adoption of Public Sector Accounting Standards

On March 31, 2012 the Corporation retroactively adopted the revised chapter PS 3410 "Government Transfers". Under CPSAS, the Corporation must recognize government transfers as expenses in the year in which the transfer is authorized and the applicant meets the eligibility criteria. As a result, on December 31, 2011, the Corporation recognized, by anticipation, financial liabilities as financial assistance program obligations, reducing the accumulated surplus in the amount of $27,457. Some comparative data of December 31, 2011 have thus been restated to take this into account. The Corporation prepared reconciliations in order to understand the effects of this restatement.

a) Statement of operations reconciliation

The following table shows the effect of the application of chapter PS 3410 on the comparative results of the period ending December 31, 2011.

	December 31, 2011	
	Quarter	**Semester**
Surplus	1,078	4,984
Financial assistance programs obligations	5,779	6,623
Surplus	6,857	11,607

b) Statement of financial position reconciliation

The following table shows the effect of the application of chapter PS 3410 on the accumulated surplus as at December 31, 2011.

	December 31, 2011
Accumulated surplus	50,189
Financial assistance programs obligations	(27,457)
Accumulated surplus	22,732

3. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted for December 2012.

TELEFILM CANADA

Schedules A and B - Other Information

A - Operating and administrative expenses

	Quarter ended Dec. 31	
	2012	**2011**
Salaries and employee benefits	4,779	4,895
Professional services	557	556
Rent, taxes, heating and electricity	450	484
Amortization of tangible capital assets	254	267
Information technology	194	168
Travel and hospitality	166	220
Office expenses	113	187
Advertising and publications	86	114
	6,599	6,891

B - Cumulative operating and administrative expenses

	Period ended Dec. 31		
	Cumulative Budget	**2012**	**2011**
Salaries and employee benefits	15,224	14,663	14,806
Rent, taxes, heating and electricity	1,445	1,447	1,453
Professional services	1,873	1,035	1,426
Information technology	1,106	1,020	898
Amortization of tangible capital assets	-	790	815
Travel and hospitality	485	405	509
Office expenses	554	334	516
Advertising and publications	215	178	200
	20,902	19,872	20,623