Quarterly Financial Report
Period ended September 30, 2016

Second quarter of fiscal 2016-2017
Published November 29, 2016

TELEFILM

Canada

TELEFILM CANADA

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1. TELEFILM

Telefilm Canada is a Crown corporation reporting to Parliament through the Department of Canadian Heritage. Telefilm's vision is audiences everywhere demanding Canadian screen-based content - accessible anywhere, anytime and on any platform.

Our mission

Telefilm's mission is 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 commercial, cultural and industrial success.

What we do

Telefilm has a team of some 180 employees dedicated to the success of the Canadian audiovisual industry. On behalf of the Government of Canada, in our capacity as a Crown corporation, we support dynamic companies and creative talents by providing financial assistance to Canadian film projects and by highlighting the value of Canadian audiovisual industry talent at regional, national and international festivals, markets and events.

In addition, the Corporation is implementing its strategic plan, *Inspired by Talent. Viewed Everywhere.*[1], which sets out six priorities:

- Industry recognition: promoting the value of Canadian content;
- Marketing practices: encouraging innovation to reach audiences;
- Market intelligence: deciding with meaningful metrics;
- Industry funding: diversifying sources;
- Ecosystems of companies: delivering together; and
- Organizational excellence: performing in a changing environment.

Finally, we administer the funding programs of the Canada Media Fund (CMF) and are responsible for making recommendations to the Minister of Canadian Heritage regarding certification of audiovisual treaty coproductions. Our head office is located in Montreal and we serve clients through our four offices in Vancouver, Toronto, Montreal and Halifax.

2. QUARTERLY FINANCIAL REPORT

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

3. IMPORTANT CHANGES

Programs

There were no significant changes to our funding programs during the quarter.

1 : https://telefilm.ca/en/about-telefilm-canada/strategic-plan
2 : www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18789&section=text

3. IMPORTANT CHANGES (CONT.)

Activities

During the quarter, the Corporation funded 36 productions for a total amount exceeding $10 million. Furthermore, emerging Canadian filmmakers, Karl Lemieux, Vincent Biron and the brothers Carlos and Jason Sanchez, attended the 73nd Venice Film Festival to present their debut feature film. These Canadian talents attended the festival alongside seasoned directors Denis Villeneuve and Philippe Falardeau, who both presented the world premiere screenings of their latest features.

The Corporation again enthusiastically partnered with the Toronto International Film Festival (TIFF), putting in place key initiatives focused on recognizing veteran as well as emerging Canadian talent. Our Executive Director, Carolle Brabant, took part in the *Women at the Helm* panel during the festival. The following initiatives were offered at TIFF again this year: Filmmaker Boot Camp, Talent to Watch, PITCH THIS!, TIFF Rising Stars and Talent Lab. This year, for the first time, the Birks Diamond Tribute honoured women scriptwriters along with actors and directors. As well, a new initiative was added to the New York City portion of Eye on TIFF, organized by Telefilm Canada in New York and Los Angeles: UniFrance signed on as partner and presented extracts of recent French films.

In addition, the Corporation announced its goal to have, by 2020, a representative and diversified feature film portfolio that better reflects gender, diversity and Canada's Indigenous communities. The Corporation established a working group of 20 persons who will help develop lasting solutions. The persons came from different stakeholders : Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) (also representing CUES (Canadian Unions for Equality Onscreen)), Association québécoise de la production médiatique (AQPM), Association des réalisateurs et réalisatrices du Québec (ARRQ), Canadian Media Producers Association (CMPA), Directors Guild of Canada (DGC), Réalisatrices Équitables, Société des auteurs de radio, télévision et cinéma (SARTEC), Union des Artistes (UDA), Writers Guild of Canada (WGC), Women in View, Women in Film + Television Vancouver.

Finally, the pan-Canadian Oscar selection committee, which Telefilm coordinates and chairs, selected Xavier Dolan's *It's Only the End of the World*, a majority coproduction with France, to represent Canada in the race for the Oscar in Best Foreign Language Film. This is Xavier Dolan's third film, after *I Killed My Mother* (*J'ai tué ma mère*) in 2009 and *Mommy* in 2014, to be selected to represent Canada in this Oscar category.

Personnel
During the quarter, the Corporation hired Michael Leclair to the position of National Director, Business Affairs.

4. GOVERNANCE AND MEMBERS OF THE BOARD

Governance of the Corporation is carried out through activities of the Board and its three subcommittees as well as by the Management Committee, chaired by the Executive Director, and its subcommittees. The Board and the Audit and Finance Committee each met once during the quarter. The Management Committee, for its part, met 7 times.

5. RISK MANAGEMENT

The Corporation manages risk through two committees: the Audit and Finance Committee and the Risk Management Committee. An assessment of risks as well as risk components, impacts and mitigation measures are conducted semi-annually.

6. UNADJUSTED DIFFERENCES

Management strives to produce relevant financial information in compliance with CPSAS and within the deadline established by the Receiver General for Canada, namely five business days after the end of the quarter. Accordingly, certain cut-off procedures applicable to the accounts payable and receivable cycles as well as certain adjustments concerning employee future benefits liability, were not carried out at September 30, 2016. Management deems the importance of these adjustments to be immaterial.

7. ANALYSIS OF CUMULATIVE RESULTS

Please note that all the amounts shown in the analysis tables are in thousands of dollars.

Assistance Expenses

The Corporation has a temporary overall budgetary surplus of more than $15 million, a position deriving mainly from our production assistance activities.

For the six-month period ended September 30, 2016

	Budget		Actual		Variance				
			2016-	2015-	Budget		Actual		
	Annual	Period	**2017**	2016	$	%	$	%	
Production	62,342	36,925	23,912	26,551	13,013	35	(2,639)	(10)	1
Development	7,625	2,380	1,565	1,223	815	34	342	28	2
Recommendations for coproduction	509	260	257	251	3	1	6	2	
	70,476	39,565	25,734	28,025	13,831	35	(2,291)	(8)	
Promotion	6,886	4,750	4,524	4,379	226	5	145	3	
International events	4,202	2,100	1,967	1,618	133	6	349	22	3
Marketing	11,780	3,000	1,870	3,298	1,130	38	(1,428)	(43)	4
	22,868	9,850	8,361	9,295	1,489	15	(934)	(10)	
	93,344	49,415	34,095	37,320	15,320	31	(3,225)	(9)	

1 Our production assistance funding activities show a significant budgetary surplus of $13 million. This is a temporary surplus, as the Corporation has a large portfolio of projects that are at the completion stage. Furthermore, Production Program expenses are $2.6 million lower than the comparative period. This decrease is mainly due to French-language projects. Indeed, there was a higher number of major projects during the comparative period, such as *Nitro Rush* and *Les trois p'tits cochons 2*, which together accounted for more than $4 million in spending on production assistance.

2 Our development assistance activities also show a mid-year budgetary surplus, for an amount of $815,000. Development funding is calculated mainly on the basis of a points-based system of calculation that takes account of a production company's track record. Requests for funding from these companies is lower than budgetary expectations even though the program was opened at an earlier date this fiscal and our operational sectors are tracking clients much more closely. These latter elements account, in particular, the $342,000 increase in expenses compared with the previous fiscal year.

3 Expenses related to our international activities are $349,000 higher than the comparative semester last year. This increase stems from the deployment of the Canada Pavilion at two new international markets in France, the International Animation Film Market in Annecy and Sunny Side of the Doc in La Rochelle.

4 Marketing Program expenses show a budgetary surplus ($1.1 million) and are markedly lower in comparison to the comparative semester last year ($1.4 million). This is due to the fact that several major projects were signed at the very end of the previous fiscal year; therefore, no significant amount of money has been spent on marketing projects to date.

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7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

Operating and Administrative Expenses

Our administrative expenses show an enviable mid-year budgetary surplus of more than $1 million. These savings derive mainly from the organization's payroll.

For the six-month period ended September 30, 2016

	Budget		Actual		Variance				
			2016-	2015-	Budget		Actual		
	Annual	Period	**2017**	2016	$	%	$	%	
Salaries & wages	18,660	9,392	8,279	8,716	1,113	12	(437)	(5)	1
Information technology	1,660	1,142	1,289	939	(147)	(13)	350	37	2
Rent	1,819	913	894	886	19	2	8	1	
Professional services	1,770	817	878	773	(61)	(7)	105	14	3
Office expenses	595	314	328	267	(14)	(4)	61	23	4
Travel	578	290	235	185	55	19	50	27	5
Amortization	650	261	206	161	55	21	45	28	6
Advertising & publications	259	130	124	72	6	5	52	72	7
	25,991	13,259	12,233	11,999	1,026	8	234	2	

1 Payroll shows a major budgetary surplus, due mainly to vacant positions in the information technology sector and to the delivery of funding programs, and to savings deriving from employee benefit expenses. It is expected that part of the surplus will be realized on March 31, 2017.

2 The information technology component is higher than both the budget and spending for the comparative semester of the previous fiscal year. These variances are due mainly to expenses for certain items, particularly cloud computing services and software licences, that were incurred more quickly than expected.

3 Professional fees are higher than the comparative semester of the previous fiscal year, for studies conducted on the feature-film consumption habits of Canadians, hiring-related expenses and to non-recurrent costs for the evaluation of best practices in the matter of international festival and event management.

4 The office expenses component is higher than the spending for the comparative semester of the previous fiscal year, due mainly to upgrades to technology-related equipment, such as network switches, videoconferencing cameras, mobile devices, and to the use of a business intelligence service for social media and Web applications.

5 Travel expenses show a budgetary savings, due mainly to the review of our presence at international events. Moreover, travel expenses are higher than in the comparative semester, due mainly to the participation of a high number of Telefilm employees in the Canada Media Fund's Outreach Tour 2016 and to optimized procurement through the use of travel passes.

6 The budgetary variance for amortization expenses is explained by the lower-than-expected capitalized asset value of software relating to the IT system redesign, as well as to work in progress currently underway on the new business management process platform, for which the amortization period has not yet started.

7 Expenses for the advertising and publications component are higher in comparison with the comparative semester, due, among other reasons, to a need for additional graphic design work on the annual report and to the renewal of a coproduction prospectus published in a variety of languages.

7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

Government Funding and Revenues

The Corporation is making satisfactory use of its government funding, whilst revenues from investments and recoveries exceed our expectations.

For the six-month period ended September 30, 2016

	Budget		Actual		Variance				
			2016-2017	2015-2016	Budget		Actual		
	Annual	Period			$	%	$	%	
Parliamentary appropriation	95,454	56,446	45,114	45,687	(11,332)	(20)	(573)	(1)	1
Investment revenues and recoveries	10,000	5,100	9,208	5,945	4,108	81	3,263	55	2
Management fees from the CMF	11,461	5,015	4,916	4,863	(99)	(2)	53	1	
Talent Fund	2,165	722	869	752	147	20	117	16	3
Contributions to promotional support activities	817	400	482	411	82	21	71	17	4
Interest and other revenues	100	50	57	59	7	14	(2)	(3)	
	119,997	67,733	60,646	57,717	(7,087)	(10)	2,929	5	

1 Lower-than-budgeted use is made of the parliamentary appropriation. This under-utilization strongly correlates with a decline in investments flowing from our funding programs, with the result that there was a decrease in payments incurred for new commitments.

2 Investments revenues and recoveries are at their highest level in almost a decade, spurred by recoveries of close to $4 million on many successful projects that benefited from our Marketing Program. Furthermore, the Corporation is also benefiting from international sales, representing revenues worth close to $2.4 million, of the coproductions *Room* and *Brooklyn*.

3 Talent Fund revenues are higher than budgeted as well as revenues recorded in the comparative semester last fiscal. The higher revenues stem from an increased use of the Bell Media contribution following the funding of a greater number of projects. It should be noted that it is difficult to anticipate the amount as well as the timetable for use of funding flowing from contribution agreements.

4 Contributions relating to promotional support activities, for their part, are higher than budgeted, due mainly to MIPCOM-related contributions that had been anticipated during the third quarter. Furthermore, the contributions recognized are higher than in the comparative semester, with the increase due, among other reasons, to new event sponsorships: Movie Nights Across Canada, Sunny Side of the Doc and the International Animation Film Market.

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8. ANALYSIS OF RESULTS FOR THE SECOND QUARTER

Quarterly results show a temporary surplus, typical of the industry's various operational cycles and of the Corporation's accounting policies.

	Actual		Variance		
	2016-2017	2015-2016	$	%	
Assistance expenses	16,851	29,136	(12,285)	(42)	1
Operating and administrative expenses	5,585	5,803	(218)	(4)	
Revenues	12,055	8,291	3,764	45	2
Parliamentary appropriation	22,856	25,218	(2,362)	(9)	3
Surplus (deficit)	12,475	(1,430)	13,905	(972)	

1 Our industry support expenditures are significantly lower in comparison to the same quarter of last year. This decline is due mainly to our Production Program under which, in the context of a fairly significant expenditure, the Corporation funded twice as many projects for twice as much money in 2015-2016.

2 The increase in revenues is due to the exceptionally high level of investment revenues and recoveries this year, flowing from notably the coproductions *Room* and *Brooklyn*.

3 The drop in our parliamentary appropriation is, for its part, due to disbursements required to paid out of current and previous years financial program obligations.

9. ANALYSIS OF FINANCIAL POSITION

The Corporation's financial position is strong, as shown by the level of its net assets.

	Actual		Variance		
	Sept. 30 2016	March 31, 2016	$	%	
Financial assets					
Due from Consolidated Revenue Fund	66,415	57,150	9,265	16	1
Cash - Talent Fund	1,032	985	47	5	
Accounts receivable	2,060	2,318	(258)	(11)	2
Receivable from CMF	2,598	3,303	(705)	(21)	3
Loan	655	655	-	-	
	72,760	64,411	8,349	13	
Liabilities					
Accounts payable	2,019	2,664	(645)	(24)	4
Deferred revenues - Talent Fund	492	2	490	24,500	5
Financial assistance program obligations	32,690	39,596	(6,906)	(17)	6
Liabilities for employee future benefits	763	756	7	1	
Net financial assets	36,796	21,393	15,403	72	
Non-financial assets					
Tangible capital assets	3,112	2,350	762	32	7
Prepaid expenses	518	2,365	(1,847)	(78)	8
Accumulated surplus	40,426	26,108	14,318	55	

1 Cash flow has risen since March 31, 2016, due, notably, to the collection of project revenues and recoveries.

2 The decrease in accounts receivable is due mainly to the planned collection of major client accounts due March 31, 2016.

3 The amount receivable from the Canada Media Fund also shows a decline, due mainly to invoiced costs, tied to the information system redesign, and to the 13% Harmonized Sales Tax applicable on the delivery of program services included at March 31.

4 The decrease in accounts payable is due mainly to comprehensive end-of-year cut-off procedures that cannot be undertaken during a quarterly period, in particular as these pertain to administrative expenses.

5 Contributions from Bell Media and Corus Entertainment are subject to external restrictions and, as such, are recorded on the Statement of Operations only when they are used for the stated purpose. Accordingly, revenues thus deferred rose due to receipt of the Bell Media contribution that has not yet been fully used.

6 The decrease in financial assistance program obligations derives from the fact that 44% of the balance at March 31, 2016 was disbursed since the start of the fiscal and that this amount, in line with the budgetary surplus recorded for our assistance expenses, has not yet been compensated for by new obligations.

7 The increase in tangible capital assets stems from capital costs related to work in progress currently underway on the information system redesign.

8 Prepaid expenses declined significantly, due to the fact that almost all prepaid expenses from the previous fiscal year were recorded in the Statement of Operations.

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, the parliamentary appropriation being calculated using a modified cash basis accounting method.

In thousands of Canadian dollars	**Sept. 30 2016**	**Sept. 30 2015**
Cost of operations	46,328	49,319
Adjustment affecting the use of parliamentary appropriation :		
Assistance expenses adjustment where parliamentary appropriation eligibility criterias have been met	6,398	3,074
Assistance expenses funded by the Talent Fund	(1,126)	(533)
Contributions to promotional support activities	(482)	(411)
Prepaid expenses	(1,847)	(1,378)
Contractual claims	(10)	(10)
Operating expenses funded by the CMF	(4,916)	(4,863)
Acquisitions of property and equipment	968	632
Transition payment	-	6
Amortization	(206)	(161)
Employee future benefits	7	12
Use of Parliamentary appropriation at September 30	45,114	45,687
Parliamentary appropriation available for subsequent quarters	50,340	49,767
Parliamentary appropriation authorized	95,454	95,454

The amount of the Parliamentary appropriation comes from the 2016-2017 Main Estimates.

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11. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016

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, FCPA, FCA, MBA
Executive Director

Denis Pion
Director - Administration and Corporate Services

Montréal, Canada
November 29, 2016

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Quarterly Statement of Operations

For the three-month period ended September 30, 2016

In thousands of Canadian dollars	Schedule	Quarter ended Sept. 30 2016	2015
Assistance expenses			
Development of the Canadian audiovisual industry			
Production assistance		10,795	22,299
Development assistance		1,369	1,144
Administration of recommendations for audiovisual treaty coproduction		130	121
		12,294	23,564
Promotional support in Canada and abroad			
Promotion		3,142	3,938
Distribution and marketing assistance		957	1,100
Participation in international events		458	534
		4,557	5,572
		16,851	29,136
Operating and administrative expenses	A	5,585	5,803
Cost of operations		22,436	34,939
Revenues			
Investment revenues and recoveries		8,501	4,979
Management fees from the Canada Media Fund		2,508	2,427
Talent fund		865	700
Contributions to promotional support activities		149	153
Interest and other revenues		32	32
		12,055	8,291
Net cost of operations before government funding		10,381	26,648
Government funding			
Parliamentary appropriation		22,856	25,218
Surplus (deficit)		12,475	(1,430)
Accumulated surplus, beginning of period		27,951	35,001
Accumulated surplus, end of period		40,426	33,571

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

Statement of Operations

For the six-month period ended September 30, 2016

In thousands of Canadian dollars	Schedule	Period ended Sept. 30 Cumulative Budget	Cumulative 2016	Cumulative 2015
Assistance expenses				
Development of the Canadian audiovisual industry				
Production assistance		36,925	23,912	26,551
Development assistance		2,380	1,565	1,223
Administration of recommendations for audiovisual treaty coproduction		260	257	251
		39,565	25,734	28,025
Promotional support in Canada and abroad				
Promotion		4,750	4,524	4,379
Participation in international events		2,100	1,967	1,618
Distribution and marketing assistance		3,000	1,870	3,298
		9,850	8,361	9,295
		49,415	34,095	37,320
Operating and administrative expenses	B	13,259	12,233	11,999
Cost of operations		62,674	46,328	49,319
Revenues				
Investment revenues and recoveries		5,100	9,208	5,945
Management fees from the Canada Media Fund		5,015	4,916	4,863
Talent Fund		722	869	752
Contributions to promotional support activities		400	482	411
Interest and other revenues		50	57	59
		11,287	15,532	12,030
Net cost of operations before government funding		51,387	30,796	37,289
Government funding				
Parliamentary appropriation		56,446	45,114	45,687
Surplus		5,059	14,318	8,398
Accumulated surplus, beginning of period		26,108	26,108	25,173
Accumulated surplus, end of period		31,167	40,426	33,571

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

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Statement of Financial Position

In thousands of Canadian dollars	**Sept. 30, 2016**	**March 31, 2016**
Financial assets		
Due from Consolidated Revenue Fund	66,415	57,150
Cash - Talent Fund	1,032	985
Accounts receivable	2,060	2,318
Receivable from the Canada Media Fund	2,598	3,303
Loan	655	655
	72,760	64,411
Liabilities		
Accounts payable and accrued liabilities	2,019	2,664
Deferred revenues - Talent Fund	492	2
Financial assistance program obligations	32,690	39,596
Liabilities for employee future benefits	763	756
	35,964	43,018
Net financial assets	36,796	21,393
Non-financial assets		
Tangible capital assets	3,112	2,350
Prepaid expenses	518	2,365
	3,630	4,715
Accumulated surplus	40,426	26,108

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

Statement of Changes in Net Financial Assets

For the six-month period ended September 30, 2016

In thousands of Canadian dollars	**Sept. 30, Budget**	**Sept. 30, 2016**	**March 31, 2016**
Surplus	5,059	14,318	935
Tangible capital asset transactions			
Amortization	261	206	371
Acquisitions	(1,500)	(968)	(671)
Write-down of tangible capital assets	-	-	531
Other transactions			
Acquisitions of prepaid expenses	-	(142)	(2,365)
Use of prepaid expenses	780	1,989	1,893
Increase in net financial assets	4,600	15,403	694
Net financial assets, beginning of year	21,393	21,393	20,699
Net financial assets, end of period	25,993	36,796	21,393

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

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Statement of Cash Flows

For the period ended September 30, 2016

In thousands of Canadian dollars	Quarter ended Sept. 30 2016	Quarter ended Sept. 30 2015	Period ended Sept. 30 2016	Period ended Sept. 30 2015
Operating activities				
Surplus (deficit)	12,475	(1,430)	14,318	8,398
Items not affecting cash:				
Increase (decrease) in liabilities for employee future benefits	19	(2)	7	(58)
Amortization of tangible capital assets	101	80	206	161
	12,595	(1,352)	14,531	8,501
Changes in non-cash financial items:				
Decrease (increase) in accounts receivable	567	(760)	258	794
Decrease (increase) in receivable from the Canada Media Fund	(142)	7	705	919
Increase (decrease) in accounts payable and accrued liabilities	(1,018)	368	(645)	41
Increase (decrease) in deferred revenues - Talent Fund	(855)	884	490	884
Increase (decrease) of financial assistance program obligations	(4,519)	6,779	(6,906)	(3,115)
Decrease in prepaid expenses	-	130	1,847	1,378
	6,628	6,056	10,280	9,402
Capital activities				
Acquisitions	(524)	(383)	(968)	(632)
Increase in due from Consolidated Revenue Fund and cash - Talent Fund	6,104	5,673	9,312	8,770
Due from Consolidated Revenue Fund and cash - Talent Fund, beginning of period	61,343	51,245	58,135	48,148
Due from Consolidated Revenue Fund and cash - Talent Fund, end of period	67,447	56,918	67,447	56,918

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

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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 as at March 31, 2016. The significant accounting policies used in these quarterly financial statements are similar to those used in the annual financial statements of March 31, 2016.

2. Comparative figures

Certain 2015-2016 figures have been reclassified to conform to the presentation adopted for 2016-2017.

Schedules A and B - Other Information

A - Operating and administrative expenses

	Quarter ended Sept. 30	
	2016	**2015**
Salaries and employee benefits	4,082	4,314
Rent, taxes, heating and electricity	447	439
Professional services	388	425
Information technology	264	312
Office expenses	153	107
Travel and hospitality	112	82
Amortization of tangible capital assets	101	80
Advertising and publications	38	44
	5,585	5,803

B - Cumulative operating and administrative expenses

	Period ended Sept. 30		
	Cumulative Budget	**2016**	**2015**
Salaries and employee benefits	9,392	8,279	8,716
Information technology	1,142	1,289	939
Rent, taxes, heating and electricity	913	894	886
Professional services	817	878	773
Office expenses	314	328	267
Travel and hospitality	290	235	185
Amortization of tangible capital assets	261	206	161
Advertising and publications	130	124	72
	13,259	12,233	11,999