

Quarterly Financial Report
Period ended December 31, 2019

Third quarter of fiscal 2019-2020
Published February 28, 2020





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1. TELEFILM

Telefilm Canada is a federal Crown corporation reporting to Parliament through the Department of Canadian Heritage. Telefilm's vision is: Telefilm and Canada, partners of choice.

Our mission

Telefilm'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

First and foremost, we are a team of some 190 enthusiasts of Canadian media content dedicated to the commercial, cultural and industrial success of Canada's audiovisual industry. Our priority is to bring Canadian creativity to the world. To achieve this, we are committed to fostering the development of Canadian talent, reaching out to Canadians where they are, and making our mark on the international stage. We will act boldly and fairly to build a balanced portfolio, with a focus on access and excellence in funded projects.

Furthermore, we are responsible for making recommendations to the Minister of Canadian Heritage on whether projects can be recognized as audiovisual treaty coproductions. We also administer the funding programs of the Canada Media Fund (CMF). Our headquarter is located in Montréal and we serve our clients throughout four offices located in Vancouver, Toronto, Montréal and Halifax.

Telefilm defined its future orientations with the launch of its new strategic plan, *Partner of choice*¹, which will guide the organization for the next years. The new vision put forward in the strategic plan lies on four pillars:

- Enhance the values of the "CANADA" and "TELEFILM" brands;
- Attract additional funding and investment;
- Revise our funding allocation approach;
- Optimize our operational capability;

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.

1 : <https://telefilm.ca/wp-content/uploads/strategic-plansummary.pdf>
2 : <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18789>



3. IMPORTANT CHANGES

Programs

During the quarter, the Corporation released updated guidelines for the **Talent to Watch**, **Theatrical Documentary** and **Production** programs. The most significant change for the **Talent to Watch** and **Theatrical Documentary** programs was an increase in the amount allocated per feature film, from \$125,000 to \$150,000. In addition, the Corporation created an Indigenous component for the **Theatrical Documentary** program, for which works will be submitted to a jury of Indigenous members.

Finally, the **Production Program** has undergone the most significant changes of all programs. From now on, French-language projects with a budget of less than \$2.5 million will be able to be submitted in two separate periods rather than one. Furthermore, all projects will now be limited to a maximum of two submissions, whereas previously this rule applied only to feature films with a budget of less than \$2.5 million.

Activities

In the third quarter of the fiscal year, the Corporation funded 25 feature film productions worth nearly \$22.5 million. The Canada Media Fund and the Corporation once again teamed up to host a series of events at MIPJunior and MIPCOM. Canadian producers were brought together to present four projects illustrating the different facets of diversity.

Eight Canadian films had their Asian premiere at the Busan International Film Festival, including *Blood Quantum*, *Antigone* and *White Lie*. Mélanie Charbonneau's *Fabuleuses* won the Busan Bank Award and signed a distribution deal in South Korea.

To kick off the celebrations marking Canada as country of honour at the Frankfurt Book Fair 2020, the Maple Movies Festival screened Atom Egoyan's *Guest of Honour*. The festival also provided Patricia Rozema an opportunity to promote her films *Mouthpiece* and *I've Heard the Mermaids Singing* in five German cities. Jason Ryle, Executive Director of the imagineNATIVE Film + Media Arts Festival, also presented a series of Indigenous short films in four cities.

To mark the 50th anniversary of the Official Languages Act, the Festival du Nouveau Cinéma and the Corporation invited creators from official-language minority communities to take part in a panel discussion and share their experiences and ways of working.

In November, Manitoba filmmaker Matthew Rankin's *The Twentieth Century* was awarded the grand prize at the Los Cabos International Film Festival. *Birdwatching*, by Andrea Martínez Crowther, *Flora and Fauna*, by Nicolás Pereda, and *All of the Fires*, by Mauricio Calderón Rico, also won prizes at Los Cabos.

Finally, in December, the Corporation held its annual public meeting at the National Arts Centre in Ottawa.

Personnel

During the quarter, the Corporation announced the appointment of Jeremy Spry as National Director of the Canada Media Fund Program Administrator team.



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;
- Strategic Planning and Communications Committee.

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

- Operational Committee;
- Human Resources Committee;
- Risk Management Committee;
- Appeal Committee.

During this quarter, the Board, the Audit and Finance Committee, the Nominating, Evaluation and Governance Committee and the Strategic Planning and Communications Committee held 2 meetings. For its part the Executive Leadership Team met 15 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 is conducted twice a year.

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, 2019. 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. Variances requiring an explanation are based on thresholds set by the Audit and Finance Committee.

Assistance Expenses

Overall, the support expenditures are lower than the budget and the comparative period, mainly as a result of production programs.

For the nine-month period ended December 31, 2019

	Budget		Actual		Variance			
	Annual	Period	2019- 2020	2018- 2019	Budget		Actual	
					\$	%	\$	%
Production programs	68,465	42,000	36,297	45,722	5,703	14	(9,425)	(21) ①
Talent to Watch program	4,000	3,500	3,105	4,230	395	11	(1,125)	(27) ②
Development program	6,329	4,500	2,156	5,228	2,344	52	(3,072)	(59) ③
Contribution to the Council of Europe's cultural fund, Eurimages	1,500	1,500	1,649	1,632	(149)	(10)	17	1
Theatrical documentary program	1,100	1,000	720	1,546	280	28	(826)	(53) ④
Administration of recommendations for audiovisual coproduction	522	392	394	294	(2)	(1)	100	34
Indigenous Screen Office	90	-	90	22	(90)	-	68	309
Innovation program - Production	200	200	-	-	200	100	-	- ⑤
	82,206	53,092	44,411	58,674	8,681	16	(14,263)	(24)
Promotion program and national and international promotional activities	13,631	10,300	9,803	9,688	497	5	115	1
Marketing program	8,043	4,000	3,332	6,428	668	17	(3,096)	(48) ⑥
Export assistance program	800	520	523	77	(3)	(1)	446	579 ⑦
Theatrical exhibition program	500	400	407	387	(7)	(2)	20	5
Participation to international festivals and events support program	1,000	325	224	290	101	31	(66)	(23)
Innovation program - Promotion	150	-	100	-	(100)	-	100	-
	24,124	15,545	14,389	16,870	1,156	7	(2,481)	(15)
	106,330	68,637	58,800	75,544	9,837	14	(16,744)	(22)

①	Production programs	Current period ↘ than budget	\$5,703	Temporary variance mainly in the signing of English-language contracts, accentuated by three significant amendments worth almost \$2.5 million.
		Current period ↘ than previous	\$9,425	The level of activity was particularly high during the comparative exercise. The Corporation believes that this variance should be resolved by the year end.



7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

Assistance Expenses (Cont.)

2	Talent to Watch program	Current period ↘ than budget	\$395	Temporary variance as some projects will be signed in the fourth quarter.
		Current period ↘ than previous	\$1,125	The budget allocation for this program is lower this year.
3	Development program	Current period ↘ than budget	\$2,344	The program opened later than in the comparative period and funding decisions are ongoing. Spending on this program is expected to be close to budget by the end of the fourth quarter.
		Current period ↘ than previous	\$3,072	
4	Theatrical documentary program	Current period ↘ than budget	\$280	This variance is expected to disappear as projects are signed in the fourth quarter.
		Current period ↘ than previous	\$826	The budget allocation for this program is lower this year.
5	Innovation program - Production	Current period ↘ than budget	\$200	A project has been selected and the contract is expected to be signed in the fourth quarter.
6	Marketing program	Current period ↘ than budget	\$668	Lack of major projects, particularly English-language, since the beginning of the fiscal year. This variance is expected to narrow in the fourth quarter.
		Current period ↘ than previous	\$3,096	During the comparative period, significant marketing campaigns were supported financially, three of which were worth close to \$1 million each, while no funding has exceeded \$500,000 since the beginning of this fiscal year.
7	Export assistance program	Current period ↗ than previous	\$446	The program, which was revised last year and has received significant promotional support, better meets industry expectations, which explains why the number of funded applications has increased from four in the previous fiscal year to 15 since the beginning of this fiscal year.

7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

Operating and Administrative Expenses

Operating expenses are less than budget and comparative period.

For the nine-month period ended December 31, 2019

	Budget		Actual		Variance			
	Annual	Period	2019- 2020	2018- 2019	Budget		Actual	
					\$	%	\$	%
Salaries and employee benefits	18,693	14,290	13,786	13,557	504	4	229	2
Rent, taxes, heating and electricity	1,929	1,471	1,495	1,566	(24)	(2)	(71)	(5)
Information technology	1,460	1,384	1,348	1,464	36	3	(116)	(8)
Professional services	1,866	1,224	1,100	1,797	124	10	(697)	(39) 1
Amortization of tangible capital assets	850	638	620	568	18	3	52	9
Travel and hospitality	766	510	407	508	103	20	(101)	(20) 2
Office expenses	642	439	338	546	101	23	(208)	(38) 3
Advertising and publications	208	139	90	179	49	35	(89)	(50) 4
	26,414	20,095	19,184	20,185	911	5	(1,001)	(5)

1	Professional services	Current period ↘ than budget	\$124	Variance with regard to consultants, mainly due to IT projects that were planned for the third quarter and subsequently postponed.
		Current period ↘ than previous	\$697	The decrease is mainly due to lower consultant costs for system maintenance and optimization.
2	Travel and hospitality	Current period ↘ than budget	\$103	The variance stems mainly from the fact that several international trips had been planned but ultimately did not take place.
		Current period ↘ than previous	\$101	Fewer trips were made than in the previous fiscal year as some managerial positions were filled on an interim basis.
3	Office expenses	Current period ↘ than budget	\$101	This variance is mainly due to lower-than-anticipated training costs, with several training activities offered in-house and the Corporation being more reactive than proactive in meeting training needs because of staff turnover.
		Current period ↘ than previous	\$208	During the previous fiscal year, one-time costs were incurred for training and for office equipment.
4	Advertising and publications	Current period ↘ than previous	\$89	Some non-recurring expenses were made during the comparative year, primarily related to graphic design.



7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

Government Funding and Revenues

For the nine-month period ended December 31, 2019

	Budget		Actual		Variance				
	Annual	Period	2019- 2020	2018- 2019	Budget		Actual		
					\$	%	\$	%	
Parliamentary appropriation	109,379	95,863	79,292	97,333	(16,571)	(17)	(18,041)	(19)	1
Management fees from the Canada Media Fund	9,972	7,479	7,339	7,440	(140)	(2)	(101)	(1)	
Investment revenues and recoveries	10,000	6,172	6,749	6,703	577	9	46	1	
Talent Fund	2,160	1,337	1,798	1,836	461	34	(38)	(2)	2
Contributions to promotional support activities	750	560	683	660	123	22	23	3	
Interest	100	75	111	84	36	48	27	32	
	132,361	111,486	95,972	114,056	(15,514)	(14)	(18,084)	(16)	

- 1 Parliamentary appropriation** Current period \searrow than budget \$16,571 The funding level for disbursements related to support expenditures was lower than anticipated, with the decrease expected to be reversed in the fourth quarter.
- Current period \searrow than previous \$18,041 High level of disbursements for the comparative period associated with an elevated level of activity in the Production Program.
- 2 Talent Fund** Current period \nearrow than budget \$461 The increase is due to quicker acknowledgment of revenues flowing from Bell, Corus and TVA contributions than were budgeted.

8. ANALYSIS OF RESULTS FOR THE THIRD QUARTER

	Actual		Variance	
	2019- 2020	2018- 2019	\$	%
Assistance expenses	30,306	33,095	(2,789)	(8)
Operating and administrative expenses	5,813	6,473	(660)	(10)
Revenues	4,538	4,859	(321)	(7)
Parliamentary appropriation	28,678	45,196	(16,518)	(37) ¹
Surplus (deficit)	(2,903)	10,487	(13,390)	(128)

¹ **Parliamentary appropriation** Current period \$16,518 Significant payments for the comparative period related to contracts signed during the third quarter of 2018-2019.
 ↘ than previous

9. ANALYSIS OF FINANCIAL POSITION

	Actual		Variance	
	Dec. 31, 2019	Dec. 31, 2018	\$	%
Financial assets				
Due from Consolidated Revenue Fund	63,193	69,621	(6,428)	(9)
Cash - Talent Fund	1,633	1,662	(29)	(2)
Accounts receivable	3,511	3,809	(298)	(8)
Receivable from the Canada Media Fund	2,484	2,503	(19)	(1)
Loan	-	240	(240)	(100)
	<u>70,821</u>	<u>77,835</u>	<u>(7,014)</u>	<u>(9)</u>
Liabilities				
Accounts payable and accrued liabilities	1,990	1,648	342	21 ¹
Deferred revenues - Talent Fund	369	626	(257)	(41) ²
Financial assistance program obligations	41,687	40,778	909	2
Liabilities for employee future benefits	722	767	(45)	(6)
	<u>26,053</u>	<u>34,016</u>	<u>(7,963)</u>	<u>(23)</u>
Net financial assets				
Non-financial assets				
Tangible capital assets	5,527	5,802	(275)	(5)
Prepaid expenses	219	599	(380)	(63) ³
	<u>31,799</u>	<u>40,417</u>	<u>(8,618)</u>	<u>(21)</u>
Accumulated surplus				

¹ **Accounts payable and accrued liabilities**

↗ \$342 Significant one-time accrued liability that was paid in January.

² **Deferred revenues - Talent Fund**

↘ \$257 Mainly related to the decrease in Bell Media's contribution in 2019-2020, as provided for in the funding agreement.

³ **Prepaid expenses**

↘ \$380 As at December 31, 2018, the Corporation had paid more in fees for promotional events that were to be held in the following fiscal year.



10. RECONCILIATION OF COST OF OPERATIONS AND PARLIAMENTARY APPROPRIATION

The Corporation receives most of its funding through an annual parliamentary appropriation. Items recognized in the Statement of Operations and the Statement of Financial Position may have been funded through a Parliamentary appropriation approved in either a previous or the current fiscal year. Some of the items in the reconciliation calculation cannot be linked directly to the financial statements, since the Parliamentary appropriation is calculated using a modified cash basis accounting method.

<i>In thousands of Canadian dollars</i>	Dec. 31, 2019	Dec. 31, 2018
Cost of operations	77,984	95,729
Adjustment affecting the use of Parliamentary appropriation :		
Assistance expenses adjustment where Parliamentary appropriation eligibility criteria have been met	12,144	13,151
Assistance expenses funded by the Talent Fund	(1,408)	(2,254)
Contributions to promotional support activities	(683)	(660)
Prepaid expenses	(935)	(990)
Operating expenses funded by the CMF	(7,339)	(7,440)
Acquisitions of property and equipment	122	402
Salary recovery for payment in arrears transition	(44)	(34)
Amortization	(620)	(568)
Employee future benefits	71	(3)
Use of Parliamentary appropriation at December 31	79,292	97,333
Parliamentary appropriation available for subsequent quarter	30,087	4,566
Parliamentary appropriation authorized	109,379	101,899

The amount of the Parliamentary appropriation comes from the 2019-2020 Main Estimates and Supplementary Estimates (A).

**11. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2019****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.

A handwritten signature in black ink that reads "Christa Dickenson".

Christa Dickenson
Executive Director

A handwritten signature in blue ink that reads "Patrick Bédard".

Patrick Bédard, CPA, CA, MBA
Director of Finance and Interim Director
Administration and Corporate Services

Montréal, Canada
February 28, 2020



Quarterly Statement of Operations

For the three-month period ended December 31, 2019

<i>In thousands of Canadian dollars</i>	Schedule	Quarter ended Dec. 31	
		2019	2018
Assistance expenses			
Development of the Canadian audiovisual industry			
Production programs		18,569	16,021
Talent to Watch program		2,230	3,605
Development program		2,145	4,536
Contribution to the Council of Europe's cultural fund, Eurimages		1,649	1,632
Theatrical documentary program		275	250
Administration of recommendations for audiovisual treaty coproduction		127	99
Indigenous Screen Office		90	(72)
		25,085	26,071
Promotional support in Canada and abroad			
Promotion program and national and international promotional activities		2,776	2,884
Marketing program		1,656	3,719
Theatrical exhibition program		407	187
Export assistance program		194	59
Innovation program - Promotion		100	-
Participation to international festivals and events support program		88	175
		5,221	7,024
		30,306	33,095
Operating and administrative expenses	A	5,813	6,473
Cost of operations		36,119	39,568
Revenues			
Management fees from the Canada Media Fund		2,431	2,364
Investment revenues and recoveries		940	1,090
Talent fund		927	1,272
Contributions to promotional support activities		229	200
Interests		11	27
Indigenous screen office		-	(94)
		4,538	4,859
Net cost of operations before government funding		31,581	34,709
Government funding			
Parliamentary appropriation		28,678	45,196
Surplus (deficit)		(2,903)	10,487
Accumulated surplus, beginning of period		34,702	29,930
Accumulated surplus, end of period		31,799	40,417

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



Statement of Operations

For the nine-month period ended December 31, 2019

<i>In thousands of Canadian dollars</i>	Schedule	Period ended Dec. 31		
		Cumulative Budget	Cumulative 2019	Cumulative 2018
Assistance expenses				
Development of the Canadian audiovisual industry				
Production programs		42,000	36,297	45,722
Talent to Watch program		3,500	3,105	4,230
Development program		4,500	2,156	5,228
Contribution to the Council of Europe's cultural fund, Eurimages		1,500	1,649	1,632
Theatrical documentary program		1,000	720	1,546
Administration of recommendations for audiovisual treaty coproduction		392	394	294
Indigenous Screen Office		-	90	22
Innovation program - Production		200	-	-
		53,092	44,411	58,674
Promotional support in Canada and abroad				
Promotion program and national and international promotional activities		10,300	9,803	9,688
Marketing program		4,000	3,332	6,428
Export assistance program		520	523	77
Theatrical exhibition program		400	407	387
Participation to international festivals and events support program		325	224	290
Innovation program - Promotion		-	100	-
		15,545	14,389	16,870
		68,637	58,800	75,544
Operating and administrative expenses	B	20,095	19,184	20,185
Cost of operations		88,732	77,984	95,729
Revenues				
Management fees from the Canada Media Fund		7,479	7,339	7,440
Investment revenues and recoveries		6,172	6,749	6,703
Talent Fund		1,337	1,798	1,836
Contributions to promotional support activities		560	683	660
Interest		75	111	84
		15,623	16,680	16,723
Net cost of operations before government funding		73,109	61,304	79,006
Government funding				
Parliamentary appropriation		95,863	79,292	97,333
Surplus		22,754	17,988	18,327
Accumulated surplus, beginning of period		13,811	13,811	22,090
Accumulated surplus, end of period		36,565	31,799	40,417

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


Statement of Financial Position

<i>In thousands of Canadian dollars</i>	Dec. 31, 2019	March 31, 2019
Financial assets		
Due from Consolidated Revenue Fund	63,193	56,587
Cash - Talent Fund	1,633	732
Accounts receivable	3,511	3,740
Receivable from the Canada Media Fund	2,484	3,028
	70,821	64,087
Liabilities		
Accounts payable and accrued liabilities	1,990	2,780
Deferred revenues - Talent Fund	369	-
Financial assistance program obligations	41,687	53,882
Liabilities for employee future benefits	722	793
	44,768	57,455
Net financial assets	26,053	6,632
Non-financial assets		
Tangible capital assets	5,527	6,025
Prepaid expenses	219	1,154
	5,746	7,179
Accumulated surplus	31,799	13,811

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


Statement of Changes in Net Financial Assets

For the nine-month period ended December 31, 2019

<i>In thousands of Canadian dollars</i>	Dec. 31, Budget	Dec. 31, 2019	March 31, 2019
Surplus (deficit)	22,754	17,988	(8,279)
Tangible capital asset transactions			
Amortization	638	620	768
Acquisitions	(80)	(122)	(825)
Other transactions			
Acquisitions of prepaid expenses	-	(219)	(1,154)
Use of prepaid expenses	1,154	1,154	1,589
Increase (decrease) in net financial assets	24,466	19,421	(7,901)
Net financial assets, beginning of year	6,632	6,632	14,533
Net financial assets, end of period	31,098	26,053	6,632

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

**Statement of Cash Flows**

For the period ended December 31, 2019

<i>In thousands of Canadian dollars</i>	Quarter ended Dec. 31		Period ended Dec. 31	
	2019	2018	2019	2018
Operating activities				
Surplus (deficit)	(2,903)	10,487	17,988	18,327
Items not affecting cash:				
Increase (decrease) in liabilities for employee future benefits	(37)	4	(71)	3
Amortization of tangible capital assets	204	182	620	568
	(2,736)	10,673	18,537	18,898
Changes in non-cash financial items:				
Decrease (increase) in accounts receivable	(514)	692	229	(1,340)
Decrease in receivable from the Canada Media Fund	18	52	544	449
Decrease in accounts payable and accrued liabilities	(216)	(1,012)	(541)	(1,127)
Increase (decrease) in deferred revenues - Talent Fund	(599)	(1,221)	369	617
Increase (decrease) of financial assistance program obligations	3,836	(10,526)	(12,195)	(14,514)
Decrease (increase) in prepaid expenses	407	(323)	935	990
	196	(1,665)	7,878	3,973
Capital activities				
Cash outflows to acquire tangible capital assets	(71)	(149)	(371)	(576)
Increase (decrease) in due from Consolidated Revenue Fund and cash - Talent Fund	125	(1,814)	7,507	3,397
Due from Consolidated Revenue Fund and cash - Talent Fund, beginning of period	64,701	73,097	57,319	67,886
Due from Consolidated Revenue Fund and cash - Talent Fund, end of period	64,826	71,283	64,826	71,283
Additional information presented in operating activities				
Decrease (increase) in accounts payable and accrued liabilities for capital projects	10	(29)	249	174

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



Notes to the Quarterly Financial Statements

1. Basis of financial statements presentation

These unaudited quarterly financial statements have been prepared by the Corporation's Management in accordance with *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, 2019. The significant accounting policies used in these quarterly financial statements are similar to those used in the annual financial statements of March 31, 2019.

2. Comparative figures

Certain 2018-2019 figures have been reclassified to conform to the presentation adopted for 2019-2020.

Schedules A and B - Other Information

A - Operating and administrative expenses

	Quarter ended Dec. 31	
	2019	2018
Salaries and employee benefits	4,243	4,432
Rent, taxes, heating and electricity	498	521
Professional services	427	700
Travel and hospitality	202	227
Amortization of tangible capital assets	204	182
Office expenses	112	200
Information technology	112	129
Advertising and publications	15	82
	5,813	6,473

B - Cumulative operating and administrative expenses

	Cumulative Budget	Period ended Dec.31	
		2019	2018
Salaries and employee benefits	14,290	13,786	13,557
Rent, taxes, heating and electricity	1,471	1,495	1,566
Information technology	1,384	1,348	1,464
Professional services	1,224	1,100	1,797
Amortization of tangible capital assets	638	620	568
Travel and hospitality	510	407	508
Office expenses	439	338	546
Advertising and publications	139	90	179
	20,095	19,184	20,185