

Quarterly Financial Report
Period ended September 30, 2020

Second quarter of fiscal 2020-2021
Published November 30, 2020

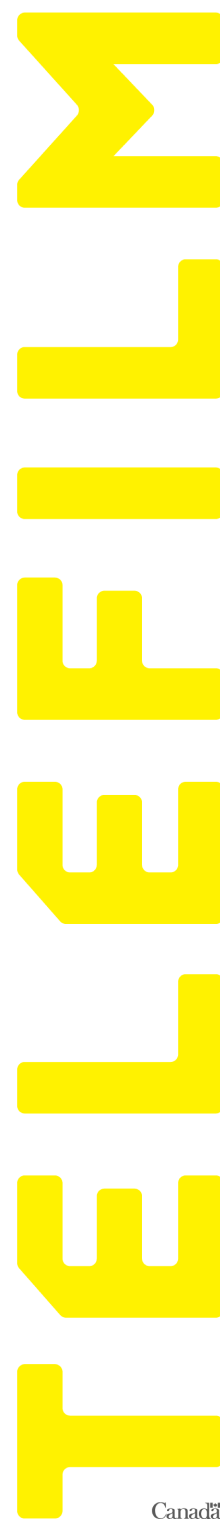




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1. TELEFILM

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 finance, 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 support dynamic companies and creators by providing financial support to Canadian film projects and by promoting and exporting Canadian content at festivals, markets and events - regionally, nationally and around the world.

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 and since last March in teleworking mode.

Telefilm defined its future orientations in the corporate plan, *Partner of choice*¹, which will guide the organization over the next few fiscal years. The new vision put forward lies on four pillars:

- Attract additional funding and investment;
- Evolve our funding allocation approach;
- Optimize our operational capacity;
- Enhance the values of the "Canada" and "Telefilm" brands;

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/corporateplan2020en.pdf>
2 : <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18789>

3. IMPORTANT CHANGES

Programs

The Corporation has launched its **Development Program** for 2020-2021, which includes a component for racialized persons. This additional funding aims to reduce the barriers preventing filmmakers from accessing Telefilm's development assistance. This component is one of the first initiatives associated with Telefilm's Equity and Representation Action Plan.

Activities

Last July, the Government of Canada unveiled the final components of Phase 2 of the Emergency Support Fund in response to COVID-19, which includes investments of \$1,755,000 to theatres showing Canadian films and \$1 million to audiovisual training and development partners who did not receive financial assistance under Phase 1 of the Emergency Support Fund in response to COVID-19.

The Corporation released its Equity and Representation Action Plan, which outlines the steps the Corporation is committed to taking as a first step in dismantling systemic racism in the Canadian film and television sectors. Moreover, the Office of the Auditor General of Canada's Special Examination report is now available on the Corporation's website.

In addition, the Corporation disclosed the results of its gender-related measures for projects funded in fiscal 2019-2020. The data shows a continued increase in funding, and, for the number of films funded, the gender parity zone has been achieved for the three key creative positions.

COVID-19 has forced the Corporation to make changes in its participation in various festivals and events that were held in virtual form. This was the case for the Toronto International Film Festival (TIFF), where the Corporation presented various panels on, among other things, the discoverability of racialized creators and the films presented at the festival. Canadians won distinctions and awards at TIFF: *Inconvenient Indian*, directed by Michelle Latimer, who won two awards: the People's Choice Award for Best Documentary and the Amplify Voices Award for Best Canadian Feature. The Ivory Coast-France-Canada-Senegal coproduction *Night of the Kings (La nuit des rois)*, directed by Philippe Lacôte, won an Amplify Voices Award, and *Fauna*, by Nicolás Pereda, received a Special Mention.

The Corporation has committed \$100,000 per year to the Black Screen Office in Canada. On the other hand, due to the negative impact of COVID-19, the Corporation is suspending all further use of the Success Index for fiscal 2020-2021. In addition, the Corporation will accelerate its pan-Canadian consultation with industry members on the Index, and will also focus on optimizing its funding programs.

Canada remains present in various film festivals. For example, three Canadian feature films premiered at the Venice International Film Festival: *Pieces of a Woman*, *Night of the Kings* and *Saint-Narcisse*, and five Quebec projects were presented as part of the Spotlight on Quebec/Canada panel held during the Venice festival. As for the Atlantic International Film Festival, Talent to Watch projects were at the forefront as one Talent to Watch film from each of the Atlantic provinces was part of the festival's programming. At the Vancouver International Film Festival, four Canadian feature films were on the program: *Brother, I Cry*; *Events Transpiring Before, During, and After a High School Basketball Game*; *Nadia, Butterfly*; and *Violation*, a Talent to Watch film.

In September, the Government of Canada announced an initiative to compensate for the lack of insurance coverage in the audiovisual production sector for interruptions to film shoots and the abandonment of productions due to COVID-19. The Corporation will administer the Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF); an amount of nearly \$50 million could be made available under the STCF. The Government of Canada approved this assistance on October 2.

Personnel

During the quarter, there were no staff changes with regard to the Corporation's Management Committee.



4. GOVERNANCE AND MEMBERS OF THE BOARD

Governance of the Corporation is carried out through activities of the Board and its three subcommittees:

- Audit and Finance Committee;
- Nominating, Evaluation and Governance Committee;
- Communications and Public and Governmental Affairs Committee.

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

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

During the quarter, the Audit and Finance Committee and the Board of Directors met twice. The Communications and Public and Governmental Affairs Committee met once. Meanwhile, the executive leadership team had a high frequency of meetings, having met 24 times, due to the circumstances relating to COVID-19 and the diversity and inclusion initiatives put in place.

Moreover, there were no changes with regard to the Board of Directors.

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 September 30, 2020. 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, COVID-19 has had significant impacts on support expenditures, which, if the COVID-19 Emergency Relief fund is excluded, are below budget and below the comparative period, mainly for production programs.

For the six-month period ended September 30, 2020

	Budget		Actual		Variance				
	Annual	Period	2020- 2021	2019- 2020	Budget		Actual		
					\$	%	\$	%	
Production programs	55,730	8,200	1,768	17,728	6,432	78	(15,960)	(90)	1
Development program	5,981	500	556	11	(56)	(11)	545	4,955	2
Theatrical documentary program	2,100	575	415	445	160	28	(30)	(7)	3
Administration of recommendations for audiovisual coproduction	350	179	162	267	17	9	(105)	(39)	4
Talent to Watch program	2,400	250	150	875	100	40	(725)	(83)	5
Indigenous Screen Office	100	100	90	-	10	10	90	-	6
Contribution to the Council of Europe's cultural fund, Eurimages	1,700	-	-	-	-	-	-	-	
Black Screen Office in Canada	100	-	-	-	-	-	-	-	
	68,461	9,804	3,141	19,326	6,663	68	(16,185)	(84)	
Promotion program and national and international promotional activities	10,469	3,425	3,210	7,027	215	6	(3,817)	(54)	7
Marketing program	7,590	1,150	556	1,676	594	52	(1,120)	(67)	8
Participation to international festivals and events support program	300	35	41	136	(6)	(17)	(95)	(70)	9
Export assistance program	50	50	37	329	13	26	(292)	(89)	10
Theatrical exhibition program	500	150	22	-	128	85	22	-	11
	18,909	4,810	3,866	9,168	944	20	(5,302)	(58)	
	87,370	14,614	7,007	28,494	7,607	52	(21,487)	(75)	
Contingencies	37	-	-	-	-	-	-	-	
COVID-19 Emergency Relief Fund	29,755	28,653	28,204	-	449	2	28,204	-	12
	117,162	43,267	35,211	28,494	8,056	19	6,717	24	

1	Production programs	Current period ↘ than budget	\$6,432	The impacts of COVID-19 are significant in the achievement of the budget. The lack of insurance coverage since the beginning of the fiscal year has contributed to the delay in signing contracts.
		Current period ↘ than previous	\$15,960	

7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

Assistance expenses (Cont.)			
2	Development program	Current period ↗ than budget	\$56 Increase in the number of signed funding applications compared to what was anticipated.
		Current period ↗ than previous	\$545 The program opened in the second quarter, compared to the third quarter last year.
3	Theatrical documentary program	Current period ↘ than budget	\$160 Temporary variance in the signing of contracts.
4	Administration of recommendations for audiovisual coproduction	Current period ↘ than previous	\$105 Process efficiency achieved through Dialogue.
5	Talent to Watch program	Current period ↘ than budget	\$100 Temporary variance in the signing of contracts.
		Current period ↘ than previous	\$725 Fewer projects selected by the jury for fiscal 2020-2021, and the announcement of selections took place in the second quarter compared to the first quarter of the previous fiscal year.
6	Indigenous Screen Office	Current period ↗ than previous	\$90 Temporary variance since the payment was made during the third quarter of the previous fiscal year.
7	Promotion program and national and international promotional activities	Current period ↘ than previous	\$3,817 Changes to the Promotion Program guidelines and the context of the COVID-19 resulted in a delay in the receipt of funding applications. In addition, the cancellation of MIPTV and the holding of national and international promotional activities in virtual form led to a significant decrease in expenditures.
8	Marketing program	Current period ↘ than budget	\$594 Negative amendment of \$1.1 million and due to COVID-19, the closure of movie theatres led to a decrease in funding for promotional campaigns.
		Current period ↘ than previous	\$1,120
9	Participation to international festivals and events support program	Current period ↘ than previous	\$95 Due to COVID-19, international festivals and events have taken place virtually and have resulted in a decrease in funding requests for this program.
10	Export assistance program	Current period ↘ than previous	\$292 Due to COVID-19, the program will not open in 2020-2021. The variance stems from previous year's projects.
11	Theatrical exhibition program	Current period ↘ than budget	\$128 Temporary variance: the program will open in the third quarter following an update to the guidelines.
12	COVID-19 Emergency Relief Fund	Current period ↗ than previous	\$28,204 The Government of Canada announced a COVID-19 Emergency Support Fund and asked the Corporation to administer funds to support the Canadian audiovisual sector.



7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

Operating and Administrative Expenses

Operating and administrative costs were below budget and lower than in the comparative period.

For the six-month period ended September 30, 2020

	Budget		Actual		Variance			
	Annual	Period	2020- 2021	2019- 2020	Budget		Actual	
					\$	%	\$	%
Salaries and employee benefits	19,565	9,540	9,110	9,543	430	5	(433)	(5)
Information technology	1,403	1,082	1,116	1,236	(34)	(3)	(120)	(10) 1
Rent, taxes, heating and electricity	2,030	995	1,005	997	(10)	(1)	8	1
Professional services	1,760	662	601	673	61	9	(72)	(11) 2
Amortization of tangible capital assets	845	423	410	416	13	3	(6)	(1)
Office expenses	675	285	239	226	46	16	13	6 3
Publications	221	94	97	75	(3)	(3)	22	29
Travel	631	153	7	205	146	95	(198)	(97) 4
	27,130	13,234	12,585	13,371	649	5	(786)	(6)

1	Information technology	Current period ↘ than previous	\$120	Mainly due to changes in billing frequency and lower costs for cloud computing services.
2	Professional services	Current period ↘ than previous	\$72	Mainly due to non-recurring expenses from one period to the next and to COVID-19, which led to a reorientation of priorities and needs related to the use of consultants.
3	Office expenses	Current period ↘ than budget	\$46	Temporary variance related to training expenses and a decrease in leasing costs due to a reorganization of work in the context of COVID-19.
4	Travel	Current period ↘ than budget	\$146	Significant reduction in travel expenses due to COVID-19.
		Current period ↘ than previous	\$198	

7. ANALYSIS OF CUMULATIVE RESULTS (CONT.)

Government Funding and Revenues

For the six-month period ended September 30, 2020

	Budget		Actual		Variance			
	Annual	Period	2020- 2021	2019- 2020	Budget		Actual	
					\$	%	\$	%
Parliamentary appropriation	131,634	53,882	53,725	50,614	(157)	-	3,111	6
Management fees from the Canada Media Fund	10,137	5,068	4,917	4,908	(151)	(3)	9	-
Investment revenues and recoveries	-	-	2,962	5,809	2,962	-	(2,847)	(49) 1
Talent Fund	1,951	320	279	871	(41)	(13)	(592)	(68) 2
Interest	40	20	31	100	11	55	(69)	(69) 3
Contributions to promotional support activities	230	25	-	454	(25)	(100)	(454)	(100) 4
	143,992	59,315	61,914	62,756	2,599	4	(842)	(1)

1	Investment revenues and recoveries	Current period ↗ than budget	\$2,962	The Corporation has not forecast any investment income and prepayment for the year 2020-2021, given the uncertainty related to COVID19.
		Current period ↘ than previous	\$2,847	
2	Talent Fund	Current period ↘ than previous	\$592	Particularly due to a slower revenue recognition rate due to COVID-19.
3	Interest	Current period ↘ than previous	\$69	To support the Canadian audiovisual industry, the Corporation stopped recording interest during the period of April to August.
4	Contributions to promotional support activities	Current period ↘ than previous	\$454	No partnership income was recorded during the current quarter owing to events being cancelled as a result of COVID-19.

8. ANALYSIS OF RESULTS FOR THE SECOND QUARTER

	Actual		Variance	
	2020- 2021	2019- 2020	\$	%
Assistance expenses	8,715	21,263	(12,548)	(59) ¹
Operating and administrative expenses	5,900	5,808	92	2
Revenues	5,271	7,990	(2,719)	(34) ²
Parliamentary appropriation	16,548	23,829	(7,281)	(31) ³
Surplus	7,204	4,748	2,456	52

- ¹ **Assistance expenses** Current period \searrow than previous \$12,548 Mainly due to a delay due to COVID-19 in the signing of contracts for production programs.
- ² **Revenues** Current period \searrow than previous \$2,719 Lower investment revenues and recoveries due to COVID-19.
- ³ **Parliamentary appropriation** Current period \searrow than previous \$7,281 Significant decrease in payments on the Corporation's regular program support expenditure contracts due to COVID-19.

9. ANALYSIS OF FINANCIAL POSITION

	Actual		Variance	
	Sept. 30, 2020	Sept. 30, 2019	\$	%
Financial assets				
Due from Consolidated Revenue Fund	62,286	62,710	(424)	(1)
Cash - Talent Fund	2,445	1,991	454	23 1
Accounts receivable	1,690	2,997	(1,307)	(44) 2
Receivable from the Canada Media Fund	-	2,502	(2,502)	(100) 3
	66,421	70,200	(3,779)	(5)
Liabilities				
Accounts payable and accrued liabilities	1,565	2,216	(651)	(29) 4
Deferred revenues - Talent Fund	1,517	968	549	57 5
Financial assistance program obligations	36,025	37,851	(1,826)	(5)
Liabilities for employee future benefits	739	759	(20)	(3)
Net financial assets	26,575	28,406	(1,831)	(6)
Non-financial assets				
Tangible capital assets	5,034	5,670	(636)	(11) 6
Prepaid expenses	164	626	(462)	(74) 7
Accumulated surplus	31,773	34,702	(2,929)	(8)

- 1 Cash - Talent Fund** ↗ \$454 Mainly related to a lower level of payments and signed contracts.
- 2 Accounts receivable** ↘ \$1,307 High level of investment and recovery revenues receivable in the comparative year.
- 3 Receivable from the Canada Media Fund** ↘ \$2,502 Management fees are now billed and collected monthly.
- 4 Accounts payable and accrued liabilities** ↘ \$651 Non-recurring accruals and accrued salaries vary from quarter to quarter.
- 5 Deferred revenues - Talent Fund** ↗ \$549 Particularly due to a slower revenue recognition rate due to COVID-19.
- 6 Tangible capital assets** ↘ \$636 Annual amortization of the Dialogue platform.
- 7 Prepaid expenses** ↘ \$462 Owing to COVID-19, we do not have any prepaid expenses for international events.



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>	Sept. 30, 2020	Sept. 30, 2019
Cost of operations	47,796	41,865
Adjustment affecting the use of Parliamentary appropriation :		
Assistance expenses adjustment where Parliamentary appropriation eligibility criteria have been met	11,439	15,884
Assistance expenses funded by the Talent Fund	(247)	(888)
Contributions to promotional support activities	-	(454)
Prepaid expenses	(339)	(528)
Operating expenses funded by the CMF	(4,917)	(4,908)
Other administrative adjustments	300	-
Acquisitions of property and equipment	92	61
Salary recovery for payment in arrears transition	(17)	(36)
Amortization	(410)	(416)
Employee future benefits	28	34
Use of Parliamentary appropriation at September 30	53,725	50,614
Parliamentary appropriation available for subsequent quarters	77,909	58,765
Parliamentary appropriation expected	131,634	109,379

The Parliamentary appropriation for the fiscal year is derived from the 2020-2021 Main Estimates and statutory appropriations included in the Supplementary Estimates (A) and (B) of \$29,8 million for the creation of the COVID-19 Emergency Support Fund for cultural organizations in the context of COVID-19 following the *Public Health Events of National Concern Payments Act*.

11. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2020**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.



Christa Dickenson
Executive Director



Patrick Bédard, CPA, CA, MBA
Director of Finance

Montréal, Canada
November 27, 2020



Quarterly Statement of Operations

For the three-month period ended September 30, 2020

<i>In thousands of Canadian dollars</i>	Schedule	Quarter ended Sept. 30	
		2020	2019
Assistance expenses			
Development of the Canadian audiovisual industry			
Production programs		1,768	14,032
Development program		556	(4)
Theatrical documentary program		415	145
Talent to Watch program		150	875
Administration of recommendations for audiovisual treaty coproduction		83	137
		2,972	15,185
Promotional support in Canada and abroad			
Promotion program and national and international promotional activities		2,321	4,406
Marketing program		436	1,377
Export assistance program		37	214
Participation to international festivals and events support program		36	81
Theatrical exhibition program		15	-
		2,845	6,078
COVID-19 Emergency Relief Fund		2,898	-
		8,715	21,263
Operating and administrative expenses	A	5,900	5,808
Cost of operations		14,615	27,071
Revenues			
Investment revenues and recoveries		2,562	4,780
Management fees from the Canada Media Fund		2,474	2,396
Talent fund		204	611
Interests		31	54
Contributions to promotional support activities		-	149
		5,271	7,990
Net cost of operations before government funding		9,344	19,081
Government funding			
Parliamentary appropriation		16,548	23,829
Surplus		7,204	4,748
Accumulated surplus, beginning of period		24,569	29,954
Accumulated surplus, end of period		31,773	34,702

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



Statement of Operations

For the six-month period ended September 30, 2020

<i>In thousands of Canadian dollars</i>	Schedule	Period ended Sept. 30		
		Cumulative Budget	Cumulative 2020	Cumulative 2019
Assistance expenses				
Development of the Canadian audiovisual industry				
Production programs		8,200	1,768	17,728
Development program		500	556	11
Theatrical documentary program		575	415	445
Administration of recommendations for audiovisual treaty coproduction		179	162	267
Talent to Watch program		250	150	875
Indigenous Screen Office		100	90	-
		9,804	3,141	19,326
Promotional support in Canada and abroad				
Promotion program and national and international promotional activities		3,425	3,210	7,027
Marketing program		1,150	556	1,676
Participation to international festivals and events support program		35	41	136
Export assistance program		50	37	329
Theatrical exhibition program		150	22	-
		4,810	3,866	9,168
COVID-19 Emergency Relief Fund		28,653	28,204	-
		43,267	35,211	28,494
Operating and administrative expenses	B	13,234	12,585	13,371
Cost of operations		56,501	47,796	41,865
Revenues				
Management fees from the Canada Media Fund		5,068	4,917	4,908
Investment revenues and recoveries		-	2,962	5,809
Talent Fund		320	279	871
Interest		20	31	100
Contributions to promotional support activities		25	-	454
		5,433	8,189	12,142
Net cost of operations before government funding		51,068	39,607	29,723
Government funding				
Parliamentary appropriation		53,882	53,725	50,614
Surplus		2,814	14,118	20,891
Accumulated surplus, beginning of period		17,655	17,655	13,811
Accumulated surplus, end of period		20,469	31,773	34,702

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>	Sept. 30, 2020	March 31, 2020
Financial assets		
Due from Consolidated Revenue Fund	62,286	56,974
Cash - Talent Fund	2,445	896
Accounts receivable	1,690	2,744
Receivable from the Canada Media Fund	-	2,792
	66,421	63,406
Liabilities		
Accounts payable and accrued liabilities	1,565	3,022
Deferred revenues - Talent Fund	1,517	-
Financial assistance program obligations	36,025	47,817
Liabilities for employee future benefits	739	767
	39,846	51,606
Net financial assets	26,575	11,800
Non-financial assets		
Tangible capital assets	5,034	5,352
Prepaid expenses	164	503
	5,198	5,855
Accumulated surplus	31,773	17,655

The accompanying note 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, 2020

<i>In thousands of Canadian dollars</i>	Sept. 30, Budget	Sept. 30, 2020	March 31, 2020
Surplus	2,814	14,118	3,844
Tangible capital asset transactions			
Amortization	423	410	828
Acquisitions	(150)	(92)	(201)
Write-down of tangible capital assets	-	-	46
Other transactions			
Acquisitions of prepaid expenses	-	(164)	(503)
Use of prepaid expenses	656	503	1,154
Increase in net financial assets	3,743	14,775	5,168
Net financial assets, beginning of year	11,800	11,800	6,632
Net financial assets, end of period	15,543	26,575	11,800

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



Statement of Cash Flows

For the period ended September 30, 2020

	Quarter ended Sept. 30		Period ended Sept. 30	
	2020	2019	2020	2019
<i>In thousands of Canadian dollars</i>				
Operating activities				
Surplus	7,204	4,748	14,118	20,891
Items not affecting cash:				
Decrease in liabilities for employee future benefits	(36)	(8)	(28)	(34)
Amortization of tangible capital assets	205	207	410	416
	7,373	4,947	14,500	21,273
Changes in non-cash financial items:				
Decrease in accounts receivable	1,216	423	1,054	743
Decrease in receivable from the Canada Media Fund	-	25	2,792	526
Decrease in accounts payable and accrued liabilities	(1,227)	(624)	(1,449)	(453)
Increase in deferred revenues - Talent Fund	1,517	254	1,517	968
Increase (decrease) of financial assistance program obligations	(4,833)	188	(11,792)	(16,031)
Decrease (increase) in prepaid expenses	1	(330)	339	528
	4,047	4,883	6,961	7,554
Capital activities				
Cash outflows to acquire tangible capital assets	(6)	(49)	(100)	(172)
Increase in due from Consolidated Revenue Fund and cash - Talent Fund	4,041	4,834	6,861	7,382
Due from Consolidated Revenue Fund and cash - Talent Fund, beginning of period	60,690	59,867	57,870	57,319
Due from Consolidated Revenue Fund and cash - Talent Fund, end of period	64,731	64,701	64,731	64,701
Additional information presented in operating activities				
Variance in accounts payable and accrued liabilities for capital projects	10	(12)	8	111

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

The variance in accounts payable and accrued liabilities for capital projects, the increase in accounts payable and accrued liabilities and the cash outflows to acquire tangible capital assets for the period ended September 30, 2019 have been restated by \$128,000.



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 *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, 2020. The significant accounting policies used in these quarterly financial statements are similar to those used in the annual financial statements of March 31, 2020. The annual financial statements of March 31, 2020 will be attached once they are available.

Schedules A and B - Other Information

A - Operating and administrative expenses

	Quarter ended Sept. 30	
	2020	2019
Salaries and employee benefits	4,491	4,348
Rent, taxes, heating and electricity	524	492
Professional services	356	374
Amortization of tangible capital assets	205	207
Information technology	138	137
Office expenses	120	117
Publications	65	36
Travel	1	97
	5,900	5,808

B - Cumulative operating and administrative expenses

	Cumulative Budget	Period ended Sept. 30	
		2020	2019
Salaries and employee benefits	9,540	9,110	9,543
Information technology	1,082	1,116	1,236
Rent, taxes, heating and electricity	995	1,005	997
Professional services	662	601	673
Amortization of tangible capital assets	423	410	416
Office expenses	285	239	226
Publications	94	97	75
Travel	153	7	205
	13,234	12,585	13,371