Quarterly Financial Report

Period ended December 31, 2013

Third quarter of fiscal 2013-2014

Published February 26, 2013

TELEFILM CANADA

TABLE OF CONTENT

TELEFILM CANADA

1. TELEFILM

Telefilm Canada is a Crown corporation reporting to Parliament through the Department of Canadian Heritage. Telefilm's vision is: Audiences everywhere demanding screen-based content created by Canadians - 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 cultural, commercial and industrial success.

What we do

Telefilm is dedicated to the cultural, commercial and industrial success of the Canadian audiovisual industry. Our funding programs provide financial support to Canadian production and distribution companies that deliver content to audiences. We promote Canadian audiovisual success and talent at festivals, markets and events-regionally, nationally and around the world.

Furthermore, Telefilm administers funding programs of the Canada Media Fund (CMF). We also make recommendations regarding the certification of audiovisual treaty coproductions to the Minister of Canadian Heritage. Our head office is located in Montreal and we also have offices in Vancouver, Toronto and Halifax to help serve our clients.

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

As part of the program redesign initiative, Telefilm made adjustments to the performance envelope stream of its Production Program. The main goal of this revision is to recognize and reward the success of production companies whose feature films have achieved an outstanding level of performance by offering them access to a fast track stream. These new guidelines are applicable to funding requests submitted as of December 16, 2013. As well, the Corporation renewed its Micro-Budget Production Program and added a new component for Aboriginal projects. The Corporation plans to support emerging feature film talent through a maximum of 13 projects including three from its new Aboriginal initiative. This program also seeks to stimulate the use of digital distribution platforms and increase audience access to the works of new Canadian talent.

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

3. IMPORTANT CHANGES (CONTINUED)

Activities

During the quarter, the Corporation financed 17 new productions for nearly $7.5 million. Telefilm also continues to support and foster the promotion of Canadian content and talent. In this regard, the Corporation made available to the industry, the Canada Pavilion at MIPCOM, held in Cannes, France. This pavilion served as a place of business for dozens of Canadian companies, promotional agenda included a presentation of multiplatform projects, a panel and networking activities. MIPCOM is the world's leading entertainment content market across all platforms.

In addition, as part of the Eye on Canada initiative, *The Grand Seduction* was shown at the Opening Ceremony Red Carpet Gala of the 24th annual St. John's International Women's Film Festival, in Newfoundland. This event is a new national promotional initiative by Telefilm Canada, the Canada Media Fund and the Canadian Media Production Association. It aims to increase awareness of, and interest in, the success of Canadian audiovisual content, and to promote pride in the industry across the country.

Moreover, access to Canadian productions is still a matter of interest for the Corporation. As such, Telefilm takes pride in having contributed as a partner by making a range of Québec films available on iTunes mainly in France but also elsewhere in Europe. This initiative is part of the 17th edition of the Cinéma du Québec à Paris.

The Corporation also held its fifth annual public assembly in Montréal where it presented the achievements of the 2012-2013 fiscal year. Numerous industry and media members attended the event. Visit our website to browse the report's microsite and download the full annual report[2]. The speeches made by Michel Roy, Chair of the Board, and Carolle Brabant, Executive Director as well as the questions received from the public are also available on our website[3].

Lastly, Telefilm teamed up with the Société de développement des entreprises culturelles (SODEC) and the National Film Board (NFB) to present *The Shortest Day*[4], a celebration of short films in which more than sixty participants (movie theatres, cultural centres, associations and libraries) organized free screenings across Canada. Over thirty Canadian short films were shown. This was the North American debut of this event, which reunites already more than twenty countries.

Personnel

The Director of Marketing and Communications, Évelyne Morrisseau, left the organization in November. Executive Director Carolle Brabant has taken over this position in an interim capacity.

4. GOVERNANCE

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. The Board, the Audit and Finance Committee, and the Strategic Planning and Communications Committee each held a meeting during the quarter, while the Management Committee met bimonthly. Moreover, the Governor in Council appointed Corey Anne Bloom to the Board. Ms. Bloom is also a member of the Audit and Finance Committee. In addition, Claude Joli-Cœur, ex-officio as Interim Government Film Commissioner, replaces Tom Perlmutter, who left his position on December 31. Lastly, the Board has a vacant position.

2 : http://www.telefilm.ca/rapport-annuel/2012-2013/en
3 : http://www.telefilm.ca/en/news/speeches
4 : http://www.theshortestday.ca/home.php

5. RISK MANAGEMENT

During the 2nd quarter, the Risk Management Committee carried out the biannual evaluation of the evolution of corporate risks. This exercise provided a retrospective review and an assessment of the risk level and identifies the risks that should be subject to close monitoring and mitigation measures. The risk level remains relatively stable overall. In addition, the Corporation is currently conducting an exercise to map the risks of fraud.

6. UNADJUSTED DIFFERENCES

Management strives to produce relevant financial information in compliance with CPSAS and within the deadline established by the Receiver General of Canada, namely five business days after the end of the quarter. Accordingly, Management uses means and methods that enable it to identify the required adjustments. To this extent, certain cut-off procedures applicable to the accounts payable and receivable cycles as well as certain adjustments concerning liabilities for employee future benefits were not carried out at December 31, 2013. Given that the importance of these adjustments is deemed immaterial by Management, the financial statements provide a fair representation in all their significant aspects.

7. ANALYSIS OF CUMULATIVE RESULTS

The analysis tables show rounded amounts and must be analyzed in relation to the financial statements for greater accuracy.

Assistance Expenses

For the nine-month period ended December 31, 2013

	Budget ($M)		Actual ($M)		Variance			
					Budget		Actual	
	Annual	Period	**2013-2014**	2012-2013	$	%	$	%
Production	66.1	50.7	38.4	41.3	12.3	24	(2.9)	(7)
Development	6.0	5.5	6.9	6.0	(1.4)	(25)	0.9	15
	72.1	56.2	45.3	47.3	10.9	19	(2.0)	(4)
Promotion	6.9	5.2	5.2	5.1	-	-	0.1	2
Marketing	10.2	7.4	4.3	8.6	3.1	42	(4.3)	(50)
International events	2.3	1.7	1.9	1.7	(0.2)	(12)	0.2	12
	19.4	14.3	11.4	15.4	2.9	20	(4.0)	(26)
	91.5	70.5	56.7	62.7	13.8	20	(6.0)	(10)

Overall, our funding programs present expenditures that are lower than our financial forecasts and the comparative period. These variances are derived mainly from the production and marketing programs.

On the one hand, the Production Program's quarterly budget clearly has an ambitious goal that enhances the budget surplus position. On the other hand, certain companies with performance-based envelopes used their funds for development projects, rather than in production as forecasted. Additionally, an unused significant amount earmarked for the performance envelopes is now available for the selective component of the program. All these factors have helped generate a budget surplus position. Note that, Management plans to use this program's entire budget.

The Development Program has overruns, both budgetary and when contrasted with the comparative data. These variances stem from the companies with performance-based envelopes that used their funds to finance development projects. These amounts total nearly $1.5 million, more than double that at the same time last year.

7. ANALYSIS OF CUMULATIVE RESULTS (CONTINUED)

The Marketing Program presents expenditures that are less than the budgeted amount and comparative data. Last year, the major distribution companies with performance-based envelopes were much more active. These same companies currently show a decline of nearly 60% in activity levels compared with the previous fiscal year. This area of activity is undergoing changes, in particular as a result of the unification of two major distribution companies resulting in the availability of a significant amount in the program's selective component. For the current fiscal year, the distribution companies are submitting their projects at a later date, which has resulted in a slowdown of our funding activities. Based on the analysis of funding requests received as of the report issue date, Management expects to be able to use the budgeted amounts for the program's intended purposes.

Lastly, the expenditures related to our international activities present a budget overrun and an increase with respect to the comparative numbers. Our promotional efforts are radiating on several international events and are subject to change from one fiscal year to the next. The Corporation has focused on the visibility of Canadian works by increasing the number of screenings at the Marché du Film de Cannes and by expanding a promotional partnership with Unifrance. In addition, the Corporation has experienced financial repercussions from a decrease in the number of Canadian production and distribution companies taking part in the 2013 MIPTV market. Consequently, Management anticipates a slight budget overrun for its international promotional activities at March 31, 2014.

Operating and Administrative Expenses

For the nine-month period ended December 31, 2013

	Budget ($M)		Actual ($M)		Variance			
			2013-2014	2012-2013	Budget		Actual	
	Annual	Period			$	%	$	%
Salaries & wages	19.9	15.1	14.6	14.7	0.5	3	(0.1)	(1)
Rent	1.9	1.5	1.5	1.5	-	-	-	-
Information technology	1.2	1.0	1.0	1.0	-	-	-	-
Professional services	2.2	1.5	1.0	1.0	0.5	33	-	-
Amortization	0.7	0.5	0.5	0.8	-	-	(0.3)	(38)
Travel	0.6	0.5	0.4	0.4	0.1	20	-	-
Office expenses	0.7	0.4	0.4	0.3	-	-	0.1	33
Advertising & publications	0.3	0.3	0.2	0.2	0.1	33	-	-
	27.5	20.8	19.6	19.9	1.2	6	(0.3)	(2)

The Corporation makes every effort to contain its expenditures and, in this regard, our operating and administrative expenses show a budget surplus position at December 31. These positive results are primarily due to payroll savings from vacant positions and a decrease in the cost of professional services incurred. In this latter case, Management plans to use professional services well in advance, which may at times result in temporary budget variances, in particular for the services of information technology and internal audit consultants.

The Corporation also plans to draw on external expertise in carrying out projects that help achieve the corporate plan. To this end, the use of internal resources together with professional services resulted in tangible savings. In addition, other savings were realized by completing and reviewing certain projects and by means of operational activities related to scenario evaluations. Lastly, advertising and publications has a budget surplus that stems mainly from the amounts budgeted for purposes of the public assembly, as these expenses were recorded in different cost accounting categories. On the whole, Management anticipates reduced administrative expenses with regard to the established yearly budget.

7. ANALYSIS OF CUMULATIVE RESULTS (CONTINUED)

Overall, the expenditures present a 2% decrease compared with the data of the previous fiscal year. The amortization expense accounts for this decline, due to software programs and computer licenses that have reached the end of their useful accounting lives.

Government Funding and Revenues

For the nine-month period ended December 31, 2013

	Budget ($M)		Actual ($M)		Variance			
			2013-	2012-	Budget		Actual	
	Annual	Period	**2014**	2013	$	%	$	%
Parliamentary appropriation	99.9	81.4	74.8	83.2	(6.6)	(8)	(8.4)	(10)
Investment revenues and recoveries	9.0	4.9	7.9	6.8	3.0	61	1.1	16
Management fees from the CMF	10.1	7.6	7.4	7.6	(0.2)	(3)	(0.2)	(3)
Interest and other revenues	0.1	0.1	0.1	0.1	-	-	-	-
Talent Fund	0.7	-	0.1	-	0.1	-	0.1	-
	119.8	94.0	90.3	97.7	(3.7)	(4)	(7.4)	(8)

Government funding and other revenue items present very satisfactory results, although the government funding, our Parliamentary appropriation, falls below our forecasts and the total reported at the last fiscal year. This decline is explained mainly by our fiscal year commitments that are lower than expected, both with regard to the budget and the previous fiscal year.

Meanwhile, the investment revenues and recoveries have been at an unprecedented level for the past few years. Another positive element, the revenues recorded are approaching the annual target, which is excellent news given that the second remittance period for production and distribution companies will take place this coming February. Take note, all these revenues are reinvested in our funding programs. The growth in revenues stems mainly from remittances of marketing projects, in particular successful projects such as *Goon*, *Blindness* and *Monsieur Lazhar*, which alone generated over $2.2 million. In addition, the revenue gain compared with the previous fiscal year stems from an increase in revenues for our production investments as well as from recoveries for the marketing of feature films. Lastly, the Talent Fund is taking off, notably through philanthropics and corporates donations.

8. ANALYSIS OF RESULTS FOR THE THIRD QUARTER

	Actual ($M)		Variance	
	2013-2014	2012-2013	$	%
Assistance expenses	15.3	17.1	(1.8)	(11)
Operating and administrative expenses	6.0	6.6	(0.6)	(9)
Revenues	3.6	3.2	0.4	13
Parliamentary appropriation	23.5	29.6	(6.1)	(21)
Surplus	5.8	9.1	(3.3)	(36)

The industry assistance expenses present a slight reduction with regard to the comparative quarter. This decrease stems from our production and distribution programs. The activities supported by our Production Program are comparable to the previous quarter in terms of the number of projects financed. However, one major project produced a downward fluctuation. Moreover, when compared with 2012-2013, the distribution activities were lower by nearly 50% with respect to the number of projects supported, which also resulted in decreased funding. As mentioned during the analysis of the cumulative results, distribution companies are currently late in submitting their projects. These elements are circumstantial and a resurgence in our funding activities is expected by March 31. Meanwhile, the revenues present an increase that is attributable to a significant return on investment from the feature film *The Red Violin*. Lastly, with regard to the comparative quarter, the use of our Parliamentary appropriation shows a decrease that mainly stems from a decline in disbursements made that are applicable to the funding issued in the current fiscal year.

TELEFILM CANADA

9. ANALYSIS OF FINANCIAL POSITION

	Actual ($M)		Variance	
	Dec. 31, 2013	March 31, 2013	$	%
Financial assets				
Due from Consolidated Revenue Fund	52.2	45.6	6.6	14
Cash - Talent Fund	0.1	-	0.1	-
Accounts receivable	2.7	2.6	0.1	4
Receivable from CMF	2.4	3.0	(0.6)	(20)
	57.4	51.2	6.2	12
Liabilities				
Accounts payable	0.8	2.1	(1.3)	(62)
Special termination benefits payable as a result of downsizing	-	0.3	(0.3)	(100)
Financial assistance programs obligations	25.7	33.7	(8.0)	(24)
Liabilities for employee future benefits	3.4	2.3	1.1	48
Net financial assets	27.5	12.8	14.7	115
Non-financial assets				
Tangible capital assets	1.6	1.6	-	-
Prepaid expenses	0.9	1.7	(0.8)	(47)
Accumulated surplus	30.0	16.1	13.9	86

The Corporation presents a solid financial position as demonstrated by the amount of its net financial assets. The most important financial asset, cash from Consolidated Revenue Fund, has increased since March 31, 2013 through investment revenues and through recoveries that have been recorded but not yet used. Moreover, the receivable balance from the Canada Media Fund (CMF) shows a decrease that is related to the harmonized sales tax of 13% arising from the final invoice recorded at March 31, 2013 and efficiency measures introduced since the beginning of the year in the delivery of CMF funding programs.

The liabilities also present a set of significant variations. The decrease in accounts payable is primarily explained by the payment of accrued liabilities recorded at March 31, 2013. In this context, at the close of fiscal year, Management applies exhaustive cut-off procedures over a longer period that cannot be applied during a quarter. Also, the special termination benefits were all settled. Moreover, the financial assistance programs obligations present a significant decrease compared with the balance at March 31. This decline is explained by the fact that the Corporation had completed a full year of funding at March 31, 2013 in comparison to a partial nine-month period at December 31, 2013. In fact, significant funding activities had taken place in the last quarter of 2012-2013 fiscal year. Lastly, the liabilities for future employee benefits show a marked increase. As expected, and following the recommendation from the Treasury Board of Canada Secretariat to eliminate the voluntary severance for all federal employees, on March 31, 2014 the Corporation will buy out the rights conferred to employees under its Policy on termination of employment.

Lastly, the prepaid expenses of the previous fiscal year were recorded as expenses in the current fiscal year and the new balance is attributable to the January rent and costs related to international events that will take place in the next fiscal year.

TELEFILM CANADA

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.

In million of Canadian dollars	**Dec. 31, 2013**	**Dec. 31, 2012**
Cost of operations	76.3	82.6
Adjustments affecting cost of operations :		
Amortization	(0.5)	(0.8)
Employee future benefits	(1.2)	(0.1)
Adjustments affecting the use of Parliamentary appropriation :		
Adjustment related to eligibility criteria of assistance expenses	8.0	10.1
Operating expenses funded by the CMF	(7.4)	(7.6)
Prepaid administrative expenses at March 31	(1.1)	(1.2)
Prepaid administrative expenses at December 31	0.1	0.1
Acquisitions of property and equipment	0.6	0.1
	(1.5)	0.6
Use of Parliamentary appropriation at December 31	74.8	83.2
Parliamentary appropriation available for subsequent quarter	25.1	19.8
Parliamentary appropriation authorized	99.9	103.0

The amount of the Parliamentary appropriation comes from the 2013-2014 Main Estimates and from an increase from the Treasury Board compensation reserve funding.

11. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2013

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

Montréal, Canada
February 26, 2014

TELEFILM CANADA

Quarterly Statement of Operations

For the three-month period ended December 31, 2013

In thousands of Canadian dollars	Schedule	Quarter ended Dec. 31 2013	2012
Assistance expenses			
Development of the Canadian audiovisual industry			
Production assistance		7,589	9,013
Development assistance		3,923	2,296
		11,512	11,309
Promotional support in Canada and abroad			
Distribution and marketing assistance		2,358	4,415
Promotion		884	1,077
Participation in international events		589	296
		3,831	5,788
		15,343	17,097
Operating and administrative expenses	A	5,961	6,599
Cost of operations		21,304	23,696
Revenues			
Management fees from the Canada Media Fund		2,428	2,523
Investment revenues and recoveries		1,176	600
Interest and other revenues		21	25
Talent fund		-	30
		3,625	3,178
Net cost of operations before government funding		17,679	20,518
Government funding			
Parliamentary appropriation		23,450	29,654
Surplus		5,771	9,136
Accumulated surplus, beginning of period		24,271	20,293
Accumulated surplus, end of period		30,042	29,429

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, 2013

In thousands of Canadian dollars	Schedule	Period ended Dec. 31 Cumulative Budget	Cumulative 2013	Cumulative 2012
Assistance expenses				
Development of the Canadian audiovisual industry				
Production assistance		50,650	38,411	41,304
Development assistance		5,500	6,938	5,993
		56,150	45,349	47,297
Promotional support in Canada and abroad				
Promotion		5,195	5,156	5,134
Distribution and marketing assistance		7,400	4,339	8,560
Participation in international events		1,670	1,888	1,705
		14,265	11,383	15,399
		70,415	56,732	62,696
Operating and administrative expenses	B	20,730	19,541	19,872
Cost of operations		91,145	76,273	82,568
Revenues				
Investment revenues and recoveries		4,860	7,917	6,811
Management fees from the Canada Media Fund		7,552	7,409	7,586
Talent Fund		-	100	30
Interest and other revenues		75	70	107
		12,487	15,496	14,534
Net cost of operations before government funding		78,658	60,777	68,034
Government funding				
Parliamentary appropriation		81,440	74,750	83,242
Surplus		2,782	13,973	15,208
Accumulated surplus, beginning of period			16,069	14,221
Accumulated surplus, end of period			30,042	29,429

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

TELEFILM
CANADA

Statement of Financial Position

In thousands of Canadian dollars	**December 31, 2013**	**March 31, 2013**
Financial assets		
Due from Consolidated Revenue Fund	52,195	45,561
Cash - Talent Fund	136	36
Accounts receivable	2,664	2,572
Receivable from the Canada Media Fund	2,372	2,973
	57,367	51,142
Liabilities		
Accounts payable and accrued liabilities	797	2,066
Special termination benefits payable as a result of downsizing	-	336
Financial assistance programs obligations	25,684	33,730
Liabilities for employee future benefits	3,372	2,250
	29,853	38,382
Net financial assets	27,514	12,760
Non-financial assets		
Tangible capital assets	1,641	1,585
Prepaid expenses	887	1,724
	2,528	3,309
Accumulated surplus	30,042	16,069

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

TELEFILM CANADA

Statement of Changes in Net Financial Assets
For the nine-month period ended December 31, 2013

In thousands of Canadian dollars	December 31, Budget	December 31, 2013	March 31, 2013
Surplus	2,782	13,973	1,848
Tangible capital asset transactions			
Amortization	542	529	1,036
Acquisitions	(600)	(585)	(357)
Other transactions			
Acquisitions of prepaid expenses	-	(887)	(1,724)
Use of prepaid expenses	1,724	1,724	1,875
Increase in net financial assets	4,448	14,754	2,678
Net financial assets, beginning of year	12,760	12,760	10,082
Net financial assets, end of period	17,208	27,514	12,760

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

Statement of Cash Flows

For the period ended December 31, 2013

	Quarter ended Dec. 31		Period ended Dec. 31	
In thousands of Canadian dollars	**2013**	**2012**	**2013**	**2012**
Operating transactions				
Surplus	5,771	9,136	13,973	15,208
Items not affecting cash:				
Increase in liabilities for employee future benefits	94	42	1,122	198
Amortization of tangible capital assets	174	254	529	790
	6,039	9,432	15,624	16,196
Changes in non-cash financial items:				
Decrease (increase) in accounts receivable	(256)	3,050	(92)	1,533
Decrease (increase) in receivable from the Canada Media Fund	38	(98)	601	82
Increase (decrease) in accounts payable and accrued liabilities	(263)	417	(1,269)	(55)
Decrease in special termination benefits payable as a result of downsizing	(14)	-	(336)	(138)
Decrease in financial assistance programs obligations	(4,180)	(8,380)	(8,046)	(9,814)
Decrease (increase) in prepaid expenses	(755)	(514)	837	1,217
	609	3,907	7,319	9,021
Capital transactions				
Acquisitions	(357)	(105)	(585)	(105)
Increase in Due from Consolidated Revenue Fund and Cash - Talent Fund	252	3,802	6,734	8,916
Due from Consolidated Revenue Fund and Cash - Talent Fund, beginning of period	52,079	46,202	45,597	41,088
Due from Consolidated Revenue Fund and Cash - Talent Fund, end of period	52,331	50,004	52,331	50,004

The accompanying notes and the 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, 2013. The accounting and calculation methods used in these quarterly financial statements are identical to those used in the annual financial statements of March 31, 2013.

2. Comparative figures

Certain 2012-2013 figures have been reclassified to conform to the presentation adopted for 2013-2014.

Schedules A and B - Other Information

A - Operating and administrative expenses

	Quarter ended Dec. 31	
	2013	**2012**
Salaries and employee benefits	4,451	4,779
Rent, taxes, heating and electricity	419	450
Professional services	329	557
Amortization of tangible capital assets	174	254
Travel and hospitality	166	166
Information technology	164	194
Office expenses	164	113
Advertising and publications	94	86
	5,961	6,599

B - Cumulative operating and administrative expenses

	Period ended Dec. 31		
	Cumulative Budget	**2013**	**2012**
Salaries and employee benefits	15,087	14,580	14,663
Rent, taxes, heating and electricity	1,491	1,524	1,447
Information technology	1,039	982	1,020
Professional services	1,459	962	1,035
Amortization of tangible capital assets	542	529	790
Travel and hospitality	454	388	405
Office expenses	392	386	334
Advertising and publications	266	190	178
	20,730	19,541	19,872