

PLAY IT
FORWARD

2016-2017
ANNUAL REPORT

50

TELEFILM CANADA 50



TELEFILM CANADA 50

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HIGHLIGHTS

In 2016-2017, the future of the Canadian audiovisual industry was strengthened by our greatest resource—our diversity. **Women, emerging talent, and Indigenous creators** were centre stage like never before. And as **Telefilm celebrates its 50th anniversary**, and Canada shines brighter than ever, **we can't wait to Play it forward!**

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CANADA AROUND THE WORLD



Xavier Dolan's
Juste la fin du monde
took the
Grand Prix
at the Cannes Film Festival
and three Césars awards.



FESTIVAL DE CANNES



Maudie
received a
special gala screening
at the Berlinale.
At home, the Maud Lewis
biopic is winning the hearts
of Canadian audiences.



The Canadian animated film
Snowtime!
headed to China, where it was
shown on more than
4,000
screens.



Two Lovers and a Bear
screened at the Cannes Film Festival
Director's Fortnight and kicked-off
Telefilm's Movie Nights Across Canada
screenings in Ottawa.



Yan England's
first feature film,
1:54,
picked up the
Youth Jury award
in Namur and Angoulême,
Prix du Public Iris
and closed the United Nations'
fifth edition of the Month
of Francophonie.

CANADIAN WOMEN MAKE THEIR MARK



Elle Canada featured the Birks Diamond Tribute to the Year's Women in Film recipients in its September issue.

From left to right: Ann Marie Fleming (director and animator), Christine Horne (actor), Jennifer Podemski (actor and producer), Ann Shin (documentarian), Amanda Crew (actor), April Mullen (director), Tracey Deer (director), Marie Vien (screenwriter), Caroline Dhavernas (actor), and Léa Pool (director). (Absent: Emma Donoghue, screenwriter)

NOTABLE FILMS FROM 2016-2017 HELMED BY WOMEN INCLUDED



Werewolf
Ashley McKenzie



Pays
Chloé Robichaud

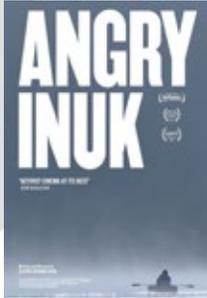


Nelly
Anne Émond



The Space Between
Amy Jo Johnson

SPOTLIGHT ON INDIGENOUS TALENT



Alethea Arnaquq-Baril's
Angry Inuk
officially selected at the Berlinale
and big winner at Hot Docs.



Benjamin Ross Hayden's first feature
The Northlander
presented at the imagineNATIVE Film
+ Media Arts Festival.



Zacharias Kunuk's
Maligluttit
featured at the Berlin International
Film Festival and recognized
at the Canadian Screen Awards.

THE FUTURE FOR EMERGING TALENT IS BRIGHT



The Lockpicker
by **Randall Okita**
picked up the
John Dunning Discovery Award
at the Canadian Screen Awards.



Daniel Redenbach
and Janine Windolph's
**The Land of Rock
and Gold**
premiered at the imagineNATIVE and
continued on to travel the festival circuit.



Great Great Great
by **Adam Garnet Jones** and
Sarah Kolasky awarded Best Feature,
Best Screenplay and Best Performance
at the Canadian Film Festival.

THE TALENT FUND

Karine Vanasse and Hartley T. Richardson
(Chair of the Talent Fund Advisory Committee)



Award-winning actor **Karine Vanasse**
was named Talent Fund ambassador,
as which she is contributing to
fundraising initiatives and helping
to raise the profile of Canada's
next generation of directors, writers,
producers and actors.

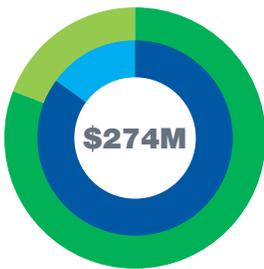
FOCUS ON EXPORT

Over the last 10 years, Telefilm refined its promotional and export strategies, improved its financial assistance programs and decision-making processes, and enhanced coproduction opportunities to best support the Canadian audiovisual industry.

A GLOBAL CONTENT MARKET

CANADIAN FILMS WIN OVER AUDIENCES AT HOME AND ABROAD

AT A GLANCE – TOP 20 HIGHEST-GROSSING¹ CANADIAN FILMS



81% of gross sales are from **international territories**

19% of gross sales are from **domestic sales**

85% of gross sales stem from **Canadian international coproductions**

15% of gross sales stem from **Canadian productions**

Canadian international coproductions capture **93%** of selections at international film festivals and events

Approximately **20%** of overall production financing is allocated to **Canadian international coproductions²**

Canadian international coproductions

- Barney's Version
- Blindness
- Brooklyn
- Eastern Promises
- Enemy
- Hector and the Search for Happiness
- L'âge des ténèbres
- Life
- Mr. Nobody
- Room
- Silk
- Splice
- The Imaginarium of Dr. Parnassus
- The Young and Prodigious T.S. Spivet
- What If

Canadian productions

- The Captive
- The Colony
- De père en flic
- Goon
- Passchendaele

EXPORT TO EXPAND THE REACH

Leverage the export potential presented by Canada's membership in **Eurimages**, the council of Europe's cultural fund for feature films

Promote Canada at **international festivals and markets**

Position Canada as a **coproduction partner** of choice

Accelerate export potential:

- **International Marketing Program**
- **Export Assistance Program**
- **Promotion Program** supporting domestic film festivals with global impact

RECENT SUCCESSFUL COPRODUCTIONS FUNDED BY TELEFILM AND CANADIAN BOX OFFICE HITS!³



Brooklyn
\$6.0M



Room
\$1.9M



Ballerina
\$3.5M



What If
\$1.3M

1. Based on Telefilm analysis of gross sales of films funded by Telefilm. Top 20 films released theatrically from 2007 to 2016. Gross Sales include the share of all revenues pertaining to the production (Box office sales, TV and home video, among others).
2. Over the last five fiscal year, Telefilm's allocated approximately one fifth of its production financing to Canadian coproductions. This proportion is reflective of the long-term trend in coproductions investments.
3. Box office sales as at April 2017.

ACHIEVEMENTS

FUNDER

Gender parity objectives set for 2020



Canada now a member country of



Funding for Indigenous creators increased to **\$4M** over the next five years

18 films supported by the Micro-Budget Production Program

\$2M in 2016-2017 and **\$5M** ongoing additional parliamentary appropriation

PROMOTER

Export Assistance Program introduced



34 new festivals

eligible under the International Marketing Program

+150 titles on the Canada First iTunes store



Movie Nights Across Canada en route to 8 Canadian cities



Watch Us Watch Us video series went viral with **+1M views**

THOUGHT LEADERSHIP

Micro-budget case studies and bootcamps launched



Best practices in film funding and marketing shared at home and internationally



Research on industry hot topics supported



ADMINISTRATOR

More agile, responsive and client focused



Implemented **Dialogue** application platform of funding programs

Client satisfaction levels reached **90%**



Low management expense ratio maintained at **5.2%** for three years running

\$9.7M Administrative budget savings transferred to funding programs over the last five fiscal years

Telefilm received 2014-2015 award of excellence for its annual report



50

TELEFILM CELEBRATES ITS 50 YEARS

A PASSION THAT'S BEEN GROWING
SINCE 1967



"I'm myself here today because of Telefilm Canada. And I believe strongly that more than ever today we need institutions, we need money put into movies."

– Denis Villeneuve –



"Partnering with Telefilm has allowed me... to make world-class, star-driven films that touch on edgy subject matters relevant to audiences both here in Canada and around the globe."

– Kari Skogland –
(Director)

On March 3, 1967, the Parliament of Canada passed the *Canadian Film Development Corporation Act*, establishing the organization now known as Telefilm Canada. Telefilm has played a key role in the evolution of Canada's film industry as the agency responsible for the industry's development and promotion since 1967. Moreover, Telefilm has long played a critical role in the success of the television and new media industries, and, since 2006, has administered the funding programs of the Canada Media Fund.

BEYOND THE NUMBERS: TRUE PASSION AND COMMITMENT

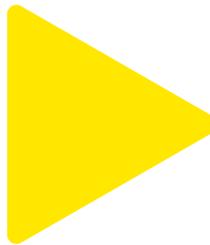
The industry that emerged in the 1960s has grown exponentially to become a vibrant cultural and economic force. Telefilm is proud to have contributed to this important part of Canada's heritage.

March 3, 2017 marked our 50th anniversary—an opportunity to look back at our achievements and the challenges we have overcome. Our dedication to Canadian culture, our ability to innovate and our desire to excel have allowed us to remain relevant for five decades.

The passion Telefilm shares with the Canadian industry is our true driving force. Canadian talent has demonstrated strength, courage and creativity, making Canadians proud to share our culture with the world.

Looking toward the next 50 years, we will build on our core values: working in partnership with the industry; recognizing the importance of cultural content; and ensuring that diverse voices are celebrated both at home and internationally.





ABOUT US

OUR VISION

Canadian productions, on all consumption platforms, in Canada and abroad.

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 180 enthusiasts of Canadian media content dedicated to the commercial, cultural and industrial success of Canada’s audiovisual industry. As a Government of Canada Crown corporation, acting on behalf of the Department of Canadian Heritage, we support dynamic companies and creators, providing financial support to Canadian film projects as well as promoting and exporting Canadian content at festivals, markets and events – regionally, nationally and around the world.

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), which totalled \$362.7 million in fiscal 2016-2017.

Headquartered in Montréal, we serve our clients through four offices located in Vancouver, Toronto, Montréal and Halifax.

ACCOUNTABILITY

A strong corporate governance framework enables the Board of Directors and the Executive Director to lead the Corporation and deliver on our mission. By its design, Telefilm’s organizational structure is designed to ensure that the Corporation’s departments are accountable to the Executive Director in the delivery of our strategic plan (see Governance section for more details).



\$101.6M

2016-2017
FUNDING SUPPORT
BY PROGRAMS
AND ACTIVITIES

\$78.4M

Development of Canadian
audiovisual industry support

\$23.2M

Promotional
support

\$68.1M

Production program
88 feature films

\$6.5M

Development Program
285 projects

\$10.0M

Marketing Program
87 feature films

\$8.4M

Promotion Program
and national
promotional activities
**59 Canadian film
festivals** and
**74 industry events
and initiatives**

\$2.2M

Micro-Budget
Production Program
18 feature films

\$1.1M

Eurimages
membership

\$4.0M

International Promotion
Presence at
**32 festivals,
markets and events**

\$0.1M

Theatrical
Documentary Program
1 feature film

\$0.4M

Administration
of Audiovisual
coproductions
**54 projects
recommended**

\$0.1M

Export Assistance
Program
3 feature films

\$0.7M

International
Marketing Program
63 feature films

OUR VALUES

Telefilm offers its employees a stimulating work environment that encourages behaviours that reflect the four corporate values we apply in interacting with one another and in dealing with our clients.

RESPECT

COMMITMENT

CLIENT FOCUS

OPENNESS

STAYING CONNECTED

Telefilm strengthened its use of online communication tools such as Facebook, Twitter and YouTube to promote the success of Canadian talent to the public.

To communicate key industry information to stakeholders, telefilm.ca, Twitter, LinkedIn and industry advisories were favoured.

Furthermore, during the fiscal year, Dialogue, a new collaborative, efficient and intuitive online funding application platform gradually began replacing eTelefilm. Dialogue is a paperless, cloud-based one-stop shop, accessible on any mobile device, that simplifies transparency and communications between Telefilm and its clients.

These efficient and effective online platforms and tools are essential for sharing important messages and facilitating application processes.

OPEN AND CONTINUOUS COMMUNICATIONS

The organization is committed to consulting, informing and holding a continuous and open dialogue with diverse members of the industry regarding opportunities, challenges and changes. Whether with film producers, distributors, broadcasters, professional associations, provincial agencies or directors and writers, we stay connected across Canada through three major streams of communication:

- presence at industry events;
- being available for one-on-one conversations with stakeholders across the country; and
- outreach sessions to consult with and inform the industry, which were held in Montréal, Vancouver, Winnipeg, Toronto, St. John's and Halifax throughout 2016-2017.



Dialogue    YouTube

MESSAGE FROM THE CHAIR OF THE BOARD



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Play it forward. That seems a perfect theme as we celebrate Telefilm Canada's 50th anniversary. Five decades to reflect on, to reinvent, to explore new avenues, and to identify the best strategies for supporting Canadian businesses and talent.

After spending 10 years at the service of one of the most fascinating industries in the country, and at the heart of an institution I have such deep respect for, my term as Chair finally comes to an end in October.

During that time, I've seen Telefilm become a cultural and economic force of international stature.

I've seen Telefilm promote audiovisual content and talent more intensively, and seen better support for their discovery, showcasing, exporting and—ultimately—their full recognition.

I've seen the creation of a new Success Index, adapted to today's reality, which aims to help Telefilm and its clients make better-informed business decisions and more efficient strategic choices. Since its implementation, the level of contributions from private and foreign funding, and the amount of funding provided to high-performing companies have all increased.

I've seen the introduction of the Talent Fund—which now finances a major share of the micro-budget productions—that especially benefits emerging creative talent. Never before have so many individuals and companies invested so much in Canadian audiovisual creativity.

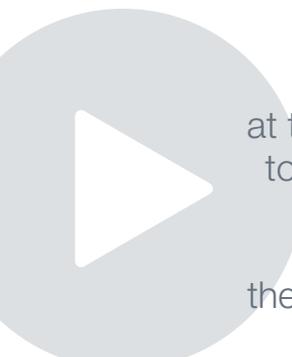
All these changes, all these efforts, have contributed to the emergence of a remarkable number of filmmakers whose talent is now recognized worldwide.

I'm proud of the way Telefilm management and all our employees have embraced this culture of change as defined in our 2011-2015 business plan, *Fostering Cultural Success*.

I'm proud of the room Telefilm Canada now makes for emerging talent—for our creators of tomorrow.

But I also take great satisfaction in Telefilm's administrative performance. The quality of our organization's governance and strategic planning have been the constant focus of my attention during both of my five-year terms. Together with senior management, with whom the Board has had an exemplary working relationship, we have consistently aimed at making Telefilm a model and unique enterprise through the pursuit of its mission.

Telefilm has consulted extensively with the industry. We've simplified and modernized our practices, revised our programs, and accelerated our decision making, and we're now putting a larger percentage of our funding allocation directly into programs that support the industry. Telefilm has upgraded its services to become a more flexible, but also a more efficient, administrator, one that encourages mentoring and rewards success. As a result, the \$9.7 million we've saved on administrative costs have been reallocated to support Canadian talent in the past five years alone.



A forward-looking corporation with an accomplished history, at the service of the industry, unifying and inclusive, Telefilm is prepared to reap the benefits of the digital revolution. Given our privileged links with key stakeholders in the industry, we're well aware of how important their contribution is, and we'll certainly be able to make the most of that contribution in meeting future challenges as they arise.

The shift to digital is bringing about major changes that our industry must adapt to. Telefilm believes it's essential to promote innovation and creativity, maximize the export potential of the content we create, increase the reach and impact of our industry, and enhance Canada's reputation as a digital powerhouse.

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I'd like to thank my colleagues of the Members' Assembly for their dedication, confidence, generosity and expertise. It's been an honour and a real pleasure to chair the Board of Directors and participate in the development of a sector whose raw material is talent and creativity.

I'd also like to thank the members of the Talent Fund Advisory Board, chaired by Hartley T. Richardson, and also offer my special thanks to Karine Vanasse for being such a dedicated and persuasive ambassador.

I want to acknowledge the work of Telefilm's management team and the leadership of our Executive Director, Carolle Brabant. There's no doubt in my mind that the quality of the relationship between management and the Board, and the mutual respect each has for the other's responsibilities and spheres of competence, are a fundamental reason that Telefilm was able to successfully implement major changes over the last few years.

I likewise applaud all of Telefilm's employees for their passion and ongoing commitment.

Thank you to our clients, who are the reason we're all here, and our partners, our most loyal collaborators.

Finally, I'd like to pay tribute to the Canadian creators who continue to make us so proud, here at home and around the world.

Michel Roy
Chair of the Board

MESSAGE FROM THE EXECUTIVE DIRECTOR



PLAY IT
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The 2016-2017 fiscal year was filled with emotion. As part of Telefilm's 50th anniversary, we were asked to look back on our past achievements while implementing initiatives that will shape the future. Fifty remarkable years dedicated to the success of the Canadian audiovisual sector. A half-century marked by passion and a promising future ahead.

Once again, our country's creativity has helped it shine on the national and international scene as Canadian films were shown at 72 festivals and garnered 61 awards.

At Telefilm, we are especially touched by the recognition given to women filmmakers. Ashley McKenzie (*Werewolf*), Ann Marie Fleming (*Window Horses*), Chloé Leriche (*Avant les rues*), Chloé Robichaud (*Pays*) and Anne Émond (*Nelly*) are just some of the names that come to mind. Likewise, Indigenous talent did Canada proud with seven films selected at the Berlin International Film Festival. We tip our hat to the creativity of Catherine Bainbridge and Alfonso Maiorana (*Rumble: The Indians Who Rocked The World*), Alethea Arnaquq-Baril (*Angry Inuk and Seven Sins: Sloth*), Zacharias Kunuk (*Maliglutit*), Rosie Bonnie Ammaaq (*Nowhere Land*), Félix Lajeunesse and Paul Raphaël (*Tungijjuq*), and Elle-Maija Tailfeathers (*Bihttos*). Not to mention the new generation whose boldness is reflected in the high-quality work of Sophie Goyette (*Mes nuits feront écho*), Randall Okita (*The Lockpicker*), and Daniel Redenbach and Janine Windolph (*The Land of Rock and Gold*).

In addition, there were other success stories: Jean-François Pouliot's *Les 3 p'tits cochons 2* generated nearly \$2.9 million at the box office, earning the 2016 Guichet d'or Award; Xavier Dolan's *Juste la fin du monde* was watched by over a million filmgoers in France and took home the César Award for Best Director. We also applaud the work of Stella Meghie, whose film *Jean of the Joneses* was nominated at the Independent Spirit Awards. It would be hard not to mention the resounding triumph enjoyed by (*Snowtime!*) in China, where it was shown in 4,000 theatres, or *Ballerina*, a 3D animated coproduction from Éric Summer and Éric Warin that took in box-office receipts worldwide of over US \$75 million and whose production gave rise to a Montreal branch of Main Journey.

Working closely with key industry partners, Telefilm introduced additional measures this year to promote Canadian diversity. In November, Telefilm announced its intention to achieve, by 2020, a balanced portfolio of productions reflecting gender parity in each of the key positions of director, screenwriter and producer. Telefilm would like to thank all those who took part in the process; their support has not only helped correct a great inequity, but has also enriched our cinema.

In a similar vein, Telefilm increased its support for Indigenous filmmakers to \$4 million for each of the next five years. Moreover, a decision was made to include representatives from Indigenous communities in the decision-making process and to hire Indigenous personnel. An adjustment that does justice to a rich creative universe.



As we know, coproductions deliver excellent financial results, win numerous awards and allow our companies to shine abroad. In March of 2017, Canada became the first non-European member of Eurimages. While it is still too early for our industry to benefit from this exciting opportunity, everything is now in place for Canadian companies with eligible coproduction projects to submit an application to the Eurimages fund. A true victory in a core sector of our industry.

The gender parity and diversity objectives are ambitious, and reaching them will require the invaluable cooperation of all our industry partners.

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The 2016-2017 fiscal year was also an opportunity to speed up the digital transition. As part of the 150th anniversary of the Confederation and Telefilm's 50th anniversary, the Corporation participated in five initiatives allowing the public to discover Canadian cinema on different platforms, including selections of films presented on iTunes in Canada and abroad; on the Emerging Talent channel at NFB.ca; on VIA Rail Canada and on *Éléphant – mémoire du cinéma québécois*. What's more, the transition to the digital age left an imprint on our internal operations with the online application Dialogue, which allows our clients to create, submit and manage their funding applications using a one-stop service. An innovative initiative that was created jointly with the Canada Media Fund (CMF).

In its fifth year of operation, we are very pleased to report that the Talent Fund now helps to finance a substantial part of the Micro-Budget Production Program. We are proud of the 75 awards won by up-and-coming filmmakers and the national and international visibility that they have been able to enjoy.

Our industry is evolving, and we are feeling the effects of it every day. More than ever, Telefilm is determined to provide support for the Canadian ecosystem, to maximize its export potential, to increase its visibility and to position the country as a digital power. Building on our past experience, we look to the future with confidence. We will focus on innovation, strengthening and expanding the reach.

Finally, I would like to express my profound gratitude to Michel Roy who was a driving force in the shift Telefilm has taken these past 10 years – far-reaching, major and necessary changes resulting from his first strategic plan, aptly titled, “Fostering Cultural Success.” The large Telefilm family joins me in thanking him for his vital contribution to the Crown corporation and to the Canadian audiovisual industry.

A very special thanks to the entire Telefilm team – highly knowledgeable, committed and passionate colleagues who work on behalf of our creators' talent so that their imaginative works can appear on screens worldwide.

Carolle Brabant, FCPA, FCA, MBA
Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

The content of the Management Discussion and Analysis (MD&A) section was prepared by Telefilm management to present the results achieved in fiscal 2016-2017. The analysis was based on meaningful, relevant and reliable information, with such information subject to quality-control procedures and free of material or misleading errors. It provides a qualitative context and complete account of Telefilm's performance and outlook for the future. The MD&A was approved by the Management Committee and the Board of Directors as part of its annual report approval.



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INDUSTRY AND ECONOMIC CONDITIONS

THE CANADIAN ECONOMY

The Canadian economy expanded in 2016, with gross domestic product (GDP) increasing by 1.4%⁴. Canadian GDP outperformed the 2015 growth level of 0.9%, driven by household consumption, housing investment, government expenditures and exports. Canada's economy fell short in relation to the average GDP growth rate of OECD member countries, which stood at 1.8%⁵.

THE AUDIOVISUAL PRODUCTION SECTOR IN CANADA

Total film and television production volume in Canada, which includes foreign location and service production, dropped slightly to \$6.8 billion in 2015-2016⁶, after reaching a 10-year high in the prior year. As a subset, the total volume of Canadian film production, measured in dollars, decreased by 28% versus 2014-2015, to \$255 million. A combination of fewer films being produced (94 in 2015-2016 versus 126 in 2014-2015) and an overall drop in the average budgets led to the reduction in volume. These types of decreases have been seen in the recent past and it is too early to judge whether this is a trend. In 2015-2016, film and television production in Canada generated 140,600 full-time equivalent jobs, including 5,300 in the Canadian film industry.



**Film and television
production in Canada**



**55,300
direct jobs**

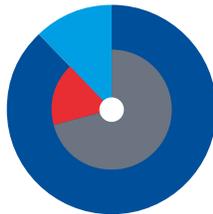


**85,300
spin-off jobs**

INDEPENDENT BOX OFFICE

In Canada, box-office sales for independent film fell 20% compared to the previous year, with total sales reaching \$204 million⁷. In 2016⁸, a total of 772 films were released into the Canadian market, of these, 679 were independent films, while 93 were from Hollywood studios. Canadian films are defined as "independent", meaning they are produced outside of the major film studio system. In 2016, 133 Canadian titles were released. The average Canadian film budget was \$2.4 million in 2015-2016⁸, and marketing budgets tend to be low compared to Hollywood standards.

Canadian market
772
films released



88%
Independent
films

71%
Independent foreign films

17%
Independent Canadian films

12%
Hollywood studios films

Canadian films are released into a highly competitive market.

4. [Statistics Canada: Gross domestic product, income and expenditure, fourth quarter 2016](#)

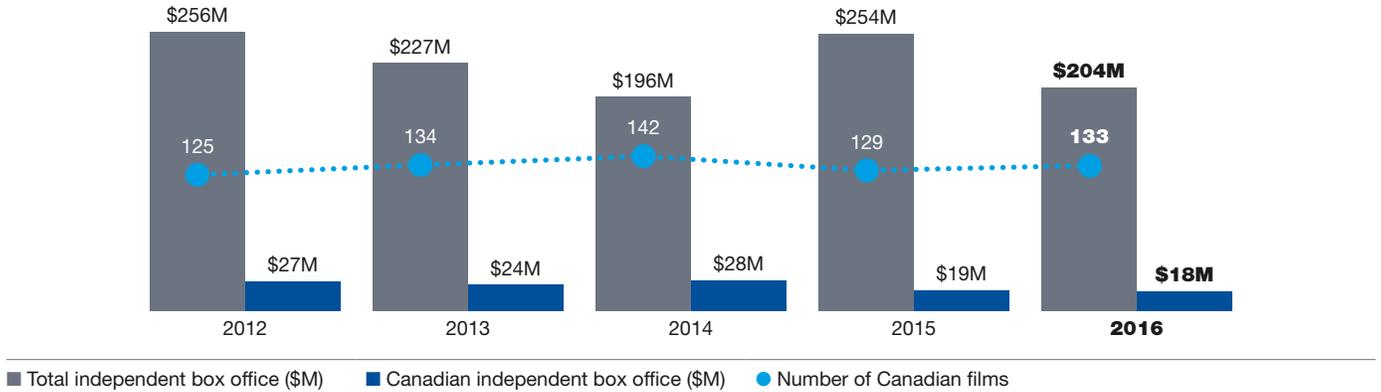
5. [OECD: Organization for Economic Co-operation and Development: Real GDP forecast](#)

6. [Profile 2016: Economic Report on the Screen-based Media Production Industry in Canada](#) (2015-2016 is the most current year available)

7. Telefilm analysis of Movie Theatre Association of Canada data

8. Box-office sales are reported on a calendar-year basis

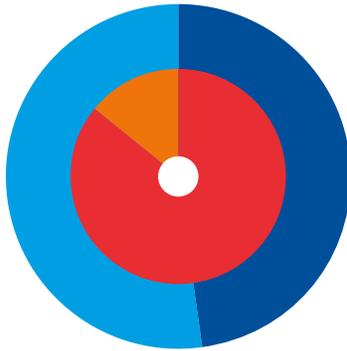
Box office of independent films in Canada



Telefilm was an investor in 86 of the 133 Canadian films released in 2016. These Telefilm-funded films accounted for 65% of titles but delivered 97% of the box office of Canadian films. Canadian films captured 9% of independent box-office sales in Canada in 2016, which equates to \$17.8 million.

Director experience is an important factor when analyzing box-office performance. Expectations for first- and second-time filmmakers, focus on gaining experience and visibility, anticipations for box-office performance are more tempered. First- and second-time directors produced 53% of films supported by Telefilm in production, but, as anticipated, accounted for a fraction of box-office receipts, at 14% in 2016. This is normal as early works are typically lower budget films that act as a filter to identify new and promising creators.

Canadian films supported by Telefilm – Number of projects and related Canadian box office



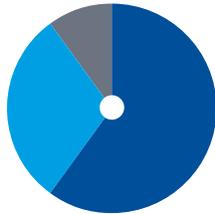
Number of projects	Box office
47% Experienced directors	86%
53% First- and second-time directors	14%

Films produced by more experienced directors, represent less than 50% of titles, however, account for over 85% of Canadian box-office sales.

MEASURING THE SUCCESS OF THE PORTFOLIO OF INDEPENDENT FILMS FUNDED BY TELEFILM

Success Index

Telefilm's Success Index is a comprehensive measure that takes three types of success into account: commercial, cultural and industrial. Using 2010 as the baseline year, this key performance indicator evaluates changes in the overall success of the films Telefilm funds from year to year. The Success Index is calculated annually and is expressed as the sum of three weighted sub-indices:



Commercial 60% of the score

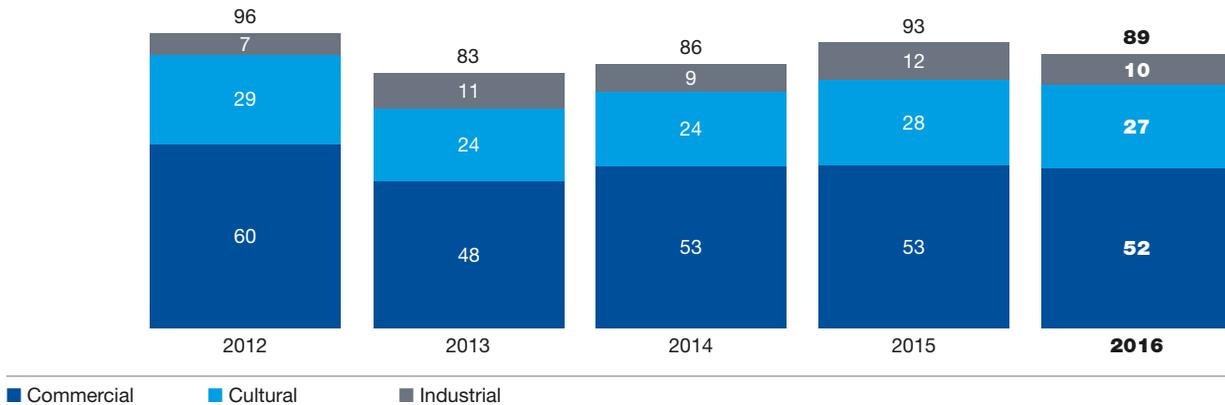
- Canadian theatrical box office
- Domestic sales on all platforms, excluding theatres
- International sales

Cultural 30% of the score

- Selections and nominations at certain international festivals and events
- Prizes at some international festivals and events
- Prizes at some festivals and events in Canada

Industrial 10% of the score

- Share of private and foreign financing in productions supported by Telefilm



The overall Success Index score decreased slightly in comparison to the 2015 level, driven by declines in each of the three components:

- The **commercial component**, fell by 2%. Domestic box office and domestic sales on other platforms drove the decrease, but were largely offset by strong international sales, which increased by 17%.
 - The following titles drove international sales: *Brooklyn*, *Room*, *Life*, *Maps to the Stars*, *Born To Be Blue* and *Snowtime! (La guerre des tuques 3D)*.
- The **cultural** sub-index decreased by 4% overall, driven by a 7% drop in prizes in Canada and a 9% fall in international selections. The reductions were slightly offset by international prizes, which rose 14% during the fiscal year.
- The **industrial** score, saw a 17% drop during the period. The decrease stemmed from the fact that the year's portfolio consisted mainly of minority treaty coproductions⁹, which led to a subsequent drop in the level of foreign financing included in the total financial participation of the productions.

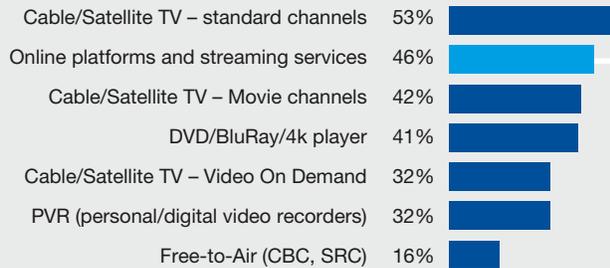
The Success Index currently places a large weighting on domestic box office, at 40%, which largely influences the overall results. Telefilm is currently evaluating the weighting of the different components that comprise the Success Index and is examining methods to assess success based on viewership levels instead of sales results. Telefilm has reached an agreement with the Movie Theatre Association of Canada to begin collecting data based on the number of tickets sold, and is consulting with Nielsen Media research regarding methods to measure viewership levels on other platforms.

9. Minority coproductions are not considered to be driven by a Canadian production company, therefore, Telefilm excludes the foreign financing of these productions in its calculation of the private and foreign financing ratio. Treaty coproductions are defined as two or more production companies based in different countries combining resources to produce an audiovisual project for which they share economic risk, ownership, creative control, and benefits from their respective governments pursuant to the terms of a treaty. The level of each company's involvement in the project defines who is the majority producer and who is the minority producer.

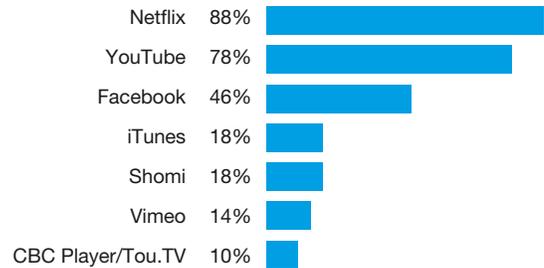
OTHER PLATFORMS

With over 90% of Canadians viewing films in-home, it is by far the most popular location for film consumption. Standard channels on cable and satellite are the most popular means of accessing films with online streaming sites following behind. The growth of online platforms demonstrates changing consumer behaviour in the Canadian market, with Netflix and YouTube demonstrating strong penetration.

Viewing mediums used to access content in last 12 months¹⁰

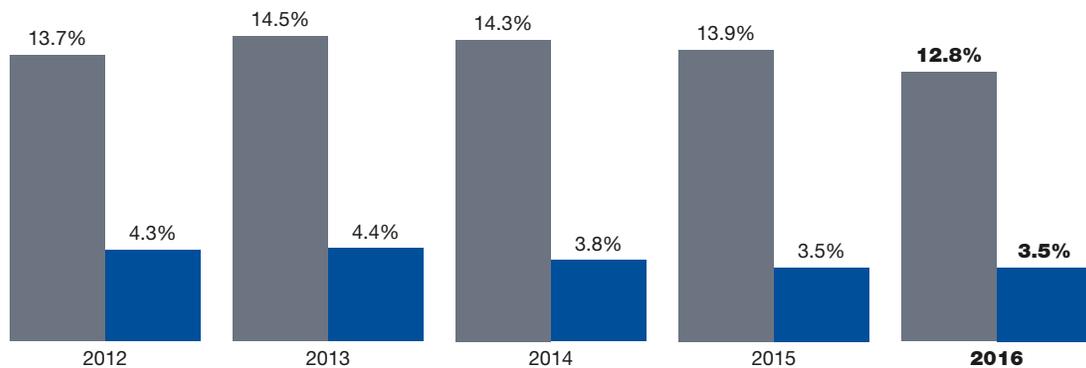


Online platforms and streaming services



Accessibility

Measuring and promoting access to Canadian content is an important component of Telefilm’s overall strategy to increase demand for Canadian content and reach audiences. Among other metrics, Telefilm measures accessibility of feature films on both television and in cinemas. Access to Canadian films has decreased slightly on both television and in cinemas, over time.



■ Total time allocated to the broadcasting of Canadian feature films on Canadian television networks versus all films broadcast

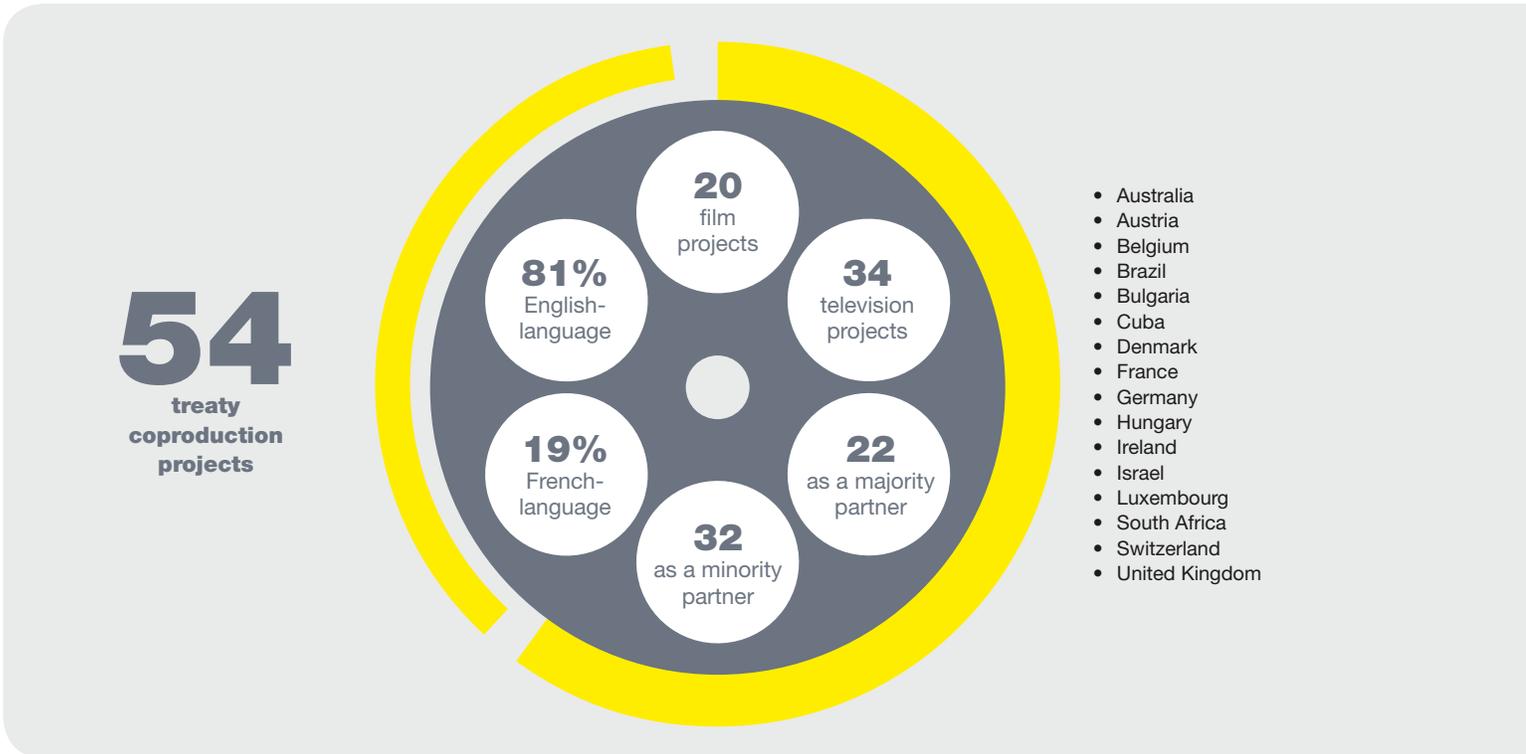
■ Share-of-screen time for Canadian feature films on cinema screens versus films from all countries (including Canadian films)

Telefilm also monitors accessibility levels on other platforms, particularly new online methods of accessing content. In fiscal 2016-2017, it became apparent that the industry was favouring iTunes most notably to make Canadian content readily available. During the fiscal year, Telefilm developed a partnership with iTunes and created a Canada First branded destination on the platform in celebration of Canada 150. The partnership ensures that the most successful Canadian titles from 2005-2017 are easily available and can be promoted through the Canada First national campaign (see Promoter section for more details).

10. Data drawn from the Telefilm Canada report [Understanding and Engaging with Audiences](#)

COPRODUCTION IN CANADA

Audiovisual treaty coproduction has been an important vehicle for providing Canadian producers with financial participation from foreign sources and for promoting and exporting the works of Canadian creators internationally. In 2016-2017¹¹, total production budgets for 54 film and television treaty coproduction projects amounted to \$489 million and involved 16 partner countries.



An official coproduction is a feature film or a television program produced jointly between Canadian and foreign coproducers in accordance with audiovisual coproduction treaties signed between partnering countries.

Coproduction applications must be certified by the Canadian government. To this end, we evaluate and recommend projects likely to be recognized by the Department of Canadian Heritage as audiovisual treaty coproductions.

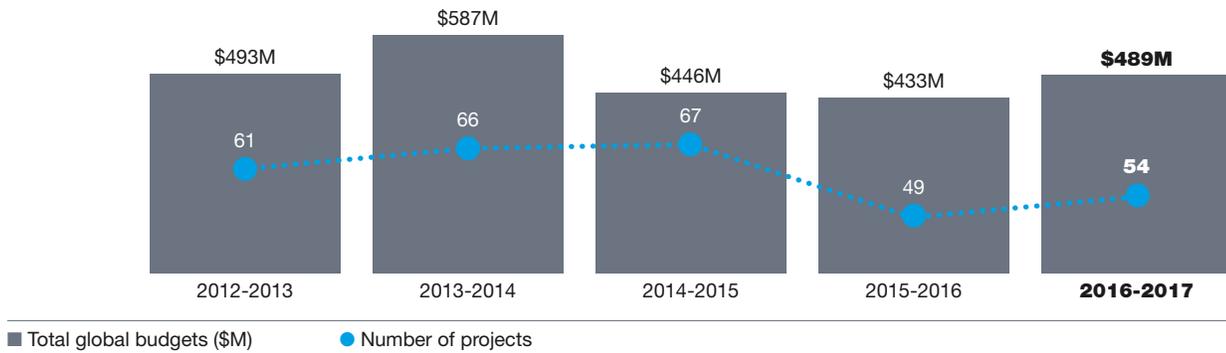
11. As of fiscal 2016-2017, Telefilm reports coproduction levels based on the signature year. Prior year coproduction levels presented have been restated to reflect this change.

**CANADA IS NOW A MEMBER COUNTRY OF EURIMAGES –
 THE EUROPEAN CINEMA SUPPORT FUND**

During the fiscal year, Canada became the 38th member country of Eurimages – the European Cinema Support Fund and the fund’s first non-European member country. Membership will allow Canada greater opportunities to coproduce films with European member countries.



Audiovisual treaty coproductions recommended by Telefilm¹²



“Telefilm has made my career in Canada possible. Their continuous support of my work since my early days as a filmmaker has allowed me to remain and work at home.”

– **David Cronenberg** –



12. As of fiscal 2016-2017, Telefilm reports coproduction levels based on the signature year. Prior year coproduction levels presented have been restated to reflect this change.

STRATEGIC PLAN DELIVERY

Fiscal 2016-2017 marks the second year of Telefilm's 2015-2018 strategic plan, *Inspired by Talent. Viewed Everywhere*. The strategic orientations outlined in the plan build on the accomplishments delivered in the past while placing increasing emphasis on promoting the industry to audiences and ensuring the industry can adapt to evolving market conditions. The following presents Telefilm's achievements in alignment with the objectives outlined in the strategic plan.

	23 Strategic Priorities, Accomplishments and Outlook	25 Funder	32 Promoter	40 Thought Leadership	44 Administrator
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STRATEGIC PRIORITIES, ACCOMPLISHMENTS AND OUTLOOK

FUNDER

Our strategic priorities 2015-2018	Accomplishments		
	2015-2016	2016-2017	2017-2018 Outlook
Industry funding – diversifying <ul style="list-style-type: none"> Attract new funding partners Examine new long-term funding mechanisms 	Development Program funding attributed automatically Micro-Budget Production Program now funded at 75% from The Talent Fund	New measures introduced to promote diversity Canada became the first non-European member country of Eurimages	Refine funding decision-making criteria to include additional considerations for: <ul style="list-style-type: none"> Diversity (Gender and Indigenous measures)
Ecosystem of companies – delivering together <ul style="list-style-type: none"> Develop and support an ecosystem of companies, including emerging ones, effective at delivering against expectations 	Telefilm celebrated its 40 th anniversary of coproduction administration	Treasury Board of Canada increased Telefilm’s parliamentary appropriation by \$2 million in 2016-2017 and by \$5 million thereafter	Launch of the new Innovation Program Extend Micro-Budget Production Program

PROMOTER

Our strategic priorities 2015-2018	Accomplishments		
	2015-2016	2016-2017	2017-2018 Outlook
Industry recognition – promoting the value of Canadian content <ul style="list-style-type: none"> Conduct effective promotion of the industry and its success directly to consumers 	Canada First audience-focused strategy launched See the North international audience building initiative developed in partnership with TIFF	Export Assistance Program launched International Marketing Program expanded to 34 additional festivals	Launch the Canada Now arthouse cinema tour with stops in the United States, the United Kingdom and Mexico
Marketing practices – encouraging innovation to reach audiences <ul style="list-style-type: none"> Players to reduce gap with viewers’ expectations Increase viewership of Canadian productions 	Telefilm signature events, Perspective Canada, Eye on TIFF and Focus on Canada, held internationally The Birks Diamond Tribute to the Year’s Women in Film celebrated during TIFF	Canada First marketing campaign continued to grow: the iTunes store reported over 35,000 views of Canadian films, and the social media promotional video series, <i>Watch Us, Watch Us</i> , generated over 1 million views, following the first few weeks after their launches Award-winning actor Karine Vanasse named Talent Fund ambassador Movie Nights Across Canada celebrated Canada 150 with red carpet screenings in Ottawa and Toronto The Canada Pavilion business support hubs extended to two new venues specializing in animation and documentaries: Marché international du film d’animation in Annecy and Sunny Side of the Doc in La Rochelle	Optimize impact of the 2018 European Film Market, where Canada will be the Country in Focus Expand the Canada First promotional campaign to increase impact and awareness of industry success among Canadians Continue to celebrate the 150 th anniversary of Canada’s Confederation, holding seven additional Movie Nights Across Canada screenings Further promote the Canada First iTunes store Refine and implement the export strategy for Canadian cultural content in partnership with the industry

STRATEGIC PRIORITIES, ACCOMPLISHMENTS AND OUTLOOK

THOUGHT LEADERSHIP

Our strategic priorities	Accomplishments		
	2015-2018	2015-2016	2016-2017
<p>Market intelligence – deciding with meaningful metrics</p> <ul style="list-style-type: none"> Conduct and communicate value relevant research Enhance comprehensive success measurement 	<p>The first iteration of the Playback Marketing Summit was held</p> <p>Telefilm’s Audience’s in Canada: Trend Report launched at the Summit</p> <p>Film distribution expert Gary Faber offered savvy marketing insights at a TIFF industry Telefilm Talent to Watch panel</p> <p>New partnership formed with the Canadian Media Producer’s Association to support the <i>Profile: Economic Report on the Screen-based Media Production Industry in Canada</i></p>	<p>Emerging filmmakers refined their marketing strategies at Telefilm’s bootcamp sessions</p> <p>Telefilm supported global conversations on key industry issues: audience engagement, measuring digital cultural products, promoting women in the audiovisual industry, driving innovation, virtual and augmented reality, opportunities for emerging filmmakers and trends in theatrical exhibition</p> <p>Funded industry-led studies regarding women in leadership, exporting Canadian content, documentary impact producing and content discoverability</p>	<p>Set strategic orientations and 2018-2020 strategic plan</p> <p>Improve the Success Index measurement</p> <p>Conduct and communicate research focusing on audience behaviour and best marketing practices</p> <p>Share market intelligence and industry insights with stakeholders through events, forums, conferences and other platforms</p>

ADMINISTRATOR

Our strategic priorities	Accomplishments		
	2015-2018	2015-2016	2016-2017
<p>Organizational excellence – performing in a changing environment</p> <ul style="list-style-type: none"> Continue to strive for optimum levels of effectiveness and efficiency 	<p>Percentage of clients satisfied reached new heights at 87%</p> <p>Management expense ratio held at low level of 5.2%</p> <p>Telefilm celebrated 10 years of administering programs for the Canada Media Fund</p> <p>\$2.7M budgetary savings transferred to funding programs</p>	<p>Percentage of clients satisfied reached new record level of 90%</p> <p>Management expense ratio held at low level of 5.2%, for the third straight year</p> <p>Implemented Dialogue application platform for the majority of funding programs</p> <p>Won Chartered Professional Accountants of Canada award of excellence for the 2014-2015 annual report, <i>Talent Without Borders</i></p> <p>\$1.5M budgetary savings transferred to funding programs</p>	<p>Finalize the implementation of the remaining funding programs in the Dialogue platform and launch other system functions</p> <p>Implement the Public Services and Procurement Canada Integrity Regime</p> <p>Implement action plan for the disposal of informational assets</p>

FUNDER

Industry funding
Diversifying
sources

Ecosystem of companies
Delivering
together

Telefilm has worked to attract funding sources, to examine new long-term funding mechanisms and to develop and support an ecosystem of companies effective at delivering expectations.

STRENGTHEN THE CANADIAN ECOSYSTEM



INTERNATIONALLY SOUGHT PRODUCTION CAPACITY AND EXPERTISE

- Original productions and production services
- Studios
- Strong growth potential



ECONOMIC SECTOR

- Diverse ecosystem of companies
- Industry mainly comprised of dynamic small and medium-sized businesses
- Companies eager to secure financing

STRATEGY

SUPPORT **the creation of content**

Maintain focus on creators and development of creative content
 Drive innovation

FOSTER **an entrepreneurial approach**

Nurture successful, viable companies to strengthen the industry
 Value intellectual property

Funding programs

- Development and Production programs
- Micro-Budget Production Program for emerging talent
- Theatrical Documentary Program
- Eurimages membership
- New Innovation Program

Ecosystem of companies

- Performance-based selection criteria for production and development programs that foster a viable ecosystem, which integrate:
 - Company and creative team track records
 - Market interest criteria
- Predictable financing for companies with successful performance
- Coproduction treaty administration and new coproduction opportunities

ACHIEVEMENTS

During the execution of its previous strategic plan, Telefilm put in place nine streamlined funding programs designed to support the industry. Since then, the effectiveness of funding programs and their compatibility with evolving market conditions have been evaluated on a continual basis, including through ongoing consultations with the industry.

In 2016-2017, improvements to funding programs included the following:

New measures to promote diversity

This year Telefilm, strongly backed by the Canadian audiovisual industry, took concrete steps to ensure that content produced better reflects our country's greatest asset—the diversity of its people. Two major advances included:

- **Gender parity measures:** Developed in partnership with an industry working group and integrated into decision making at Telefilm, an initial objective was set to balance the feature film production financing portfolio (Production Program, Theatrical Documentary Program and Micro-Budget Production Program) by 2020. The aim is to reflect gender parity in key creative roles (director, writer and producer).
- **Indigenous creators:** Feature film production funding and marketing financing made available for Indigenous creators will be increased to \$4 million annually over the next five years. Furthermore, Indigenous representatives will be included in the decision-making process by means of a jury selection process and through the hiring of an Indigenous community member for a film financing position.

Support for emerging talent

Supporting the ecosystem of companies that make up the Canadian audiovisual industry is a strategic priority for Telefilm. Central to this is supporting emerging talent, which is addressed through the Micro-Budget Production Program and the low-budget projects.



This year alone, the Micro-Budget
Production Program
supported
18 films;
55 have been produced
since the Program was launched in 2012-2013.

The Talent Fund continues to finance a substantial part of the Micro-Budget Production Program, thanks in particular to numerous donors and to its principal partners Bell Media and Corus Entertainment. Technicolor also continues to offer digital distribution encoding to Program finalists, and the National Film Board of Canada supports the micro-budget films through online distribution on its Emerging Talents channel.

In alignment with market trends, Telefilm in 2016-2017 began accepting, from first-time creators, narrative-based web content specifically designed for online distribution through the Micro-Budget Production Program.

The Talent Fund also increased the financial support available for digital marketing and social media expertise to \$7,500 per project, in order to drive audience impact.

EXAMINE NEW LONG-TERM FUNDING MECHANISMS

Furthermore, in order to diversify funding sources, Telefilm has identified coproductions and partnerships as key opportunities for the Canadian audiovisual industry.

- Coproductions increase production volume as well as audience reach and have historically demonstrated strong results in terms of gross sales, investment, recoveries, and selection and prizes at international film festivals.
- Partnerships allow Canadian producers to work with strategically placed industry stakeholders and provide mutually beneficial results.

EURIMAGES – EUROPEAN CINEMA SUPPORT FUND

During the fiscal year, Canada became the 38th—and first non-European—member country of Eurimages, the European Cinema Support Fund. This Council of Europe cultural fund aims to support the coproduction of cinematographic works between member countries. The new funding opportunity was opened to Canadian production companies during the year, with information sessions held in each of our four regional offices. The first selections will occur in June 2017.



As part of the 2016 federal budget, Telefilm was granted additional parliamentary appropriation, including; \$2 million in 2016-2017 and \$5 million thereafter.

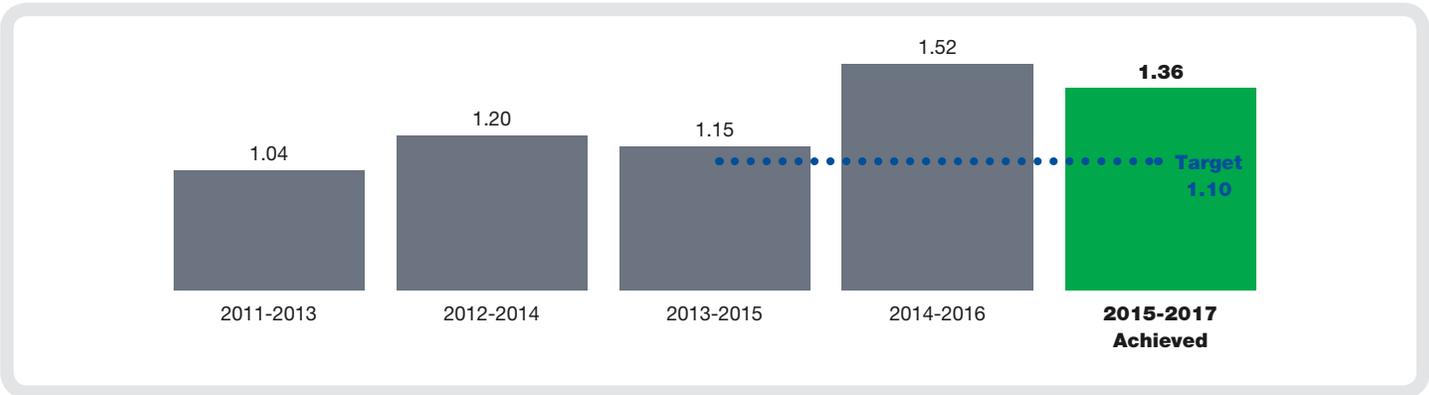
These additional funds have been entirely allocated to Telefilm’s funding programs and promotional activities, indicated as follows:

	2017-2018 and beyond (\$)
Funds to provide more support for audiovisual treaty coproductions and increase national and international promotion of Canadian content	
Investment in the development and support of the Canadian audiovisual industry:	
• Canada’s Eurimage membership—the Council of Europe’s cultural fund that supports coproductions.	1,500,000
National promotion and discoverability of Canadian talent and content:	
• Promotional activities to enhance the profile of Canadian talent and content;	
• Digital marketing campaigns to enhance discoverability, engage audiences and develop Canadian pride; and	
• The development and diffusion of business intelligence, pertaining to current audiovisual industry issues.	500,000
International marketing programs and promotional activities:	
• Export Assistance Program;	
• International Marketing Program – participation in international festivals and events; and	
• Enhancing the profile of Canadian talent and the commercial exploitation of content abroad, principally through Telefilm’s international brand and signature initiatives.	3,000,000
Total	5,000,000

ATTRACT FUNDING PARTNERS

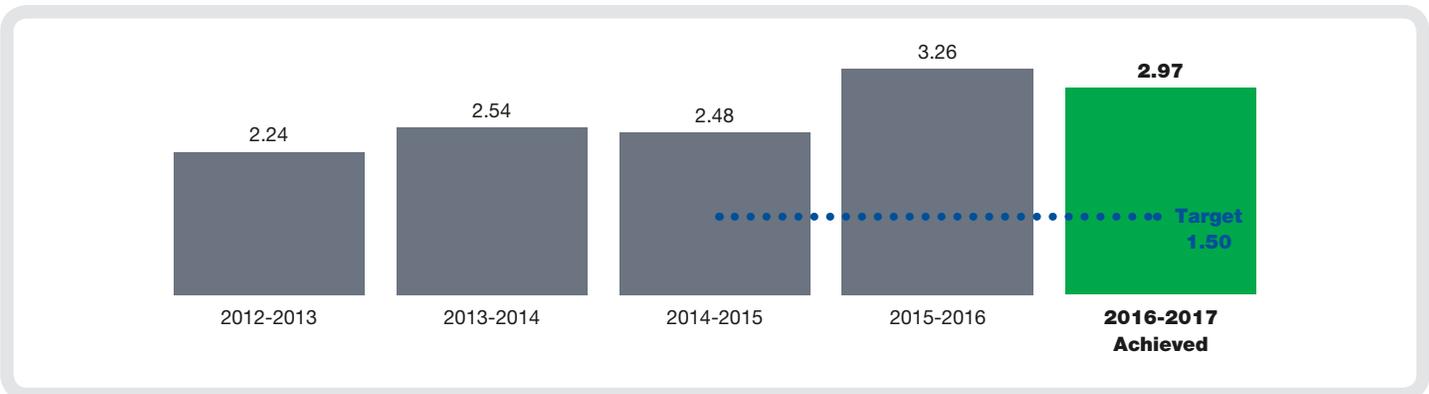
In alignment with its funding pillar, Telefilm has also worked to attract new funding sources for the Canadian audiovisual industry.

It is recognized that Telefilm’s film production funding acts as a catalyst to leverage financing from other sources. Telefilm uses its **private-sector-to-Telefilm investment ratio for film production** to measure the ability of films to attract private and foreign financing. The ratio¹³ takes into account the total production financing from private sector and foreign sources¹⁴ versus the total production funding from Telefilm, with the objective of increasing the financial investments over time.



The ratio stood at 1.36 in 2015-2017, meaning that \$1.36 of private and foreign financing was invested in production budgets for every \$1.00 Telefilm contributed. The target was achieved with private investment in the portfolio being encouraged by the market interest criteria added to the Production Program in fiscal 2013-2014. Foreign financing is considered part of private investments and tends to fluctuate from year to year, based often on a few high-budget coproductions. Canadian majority treaty coproductions as well as Canadian films supported in 2015-2016 attracted over \$40 million in private and foreign financing. This level of private and foreign financing is exceptional when compared to \$15 million in 2016-2017 and \$20 million in 2014-2015, which explains the slight decrease in the 2015-2017 ratio.

Telefilm strives to finance its promotional initiatives through partnerships. By measuring and encouraging greater levels of private-sector investment for promotional activities, the leveraging effect and overall impact of Telefilm’s promotional efforts will increase over time. Telefilm monitors progress through its **private-sector-to-Telefilm investment ratio for promotional activities**.



For every \$1.00 invested by Telefilm in 2016-2017, \$2.97 was provided by the private sector. Results exceeded the target established at \$1.50.

13. The ratio includes films supported in production only and excludes films supported through the Theatrical Documentary Program, mini-treaties and the foreign share of treaty coproduction budgets in which Canada is a minority or equal-share partner. The ratio is based on a three-year moving average.

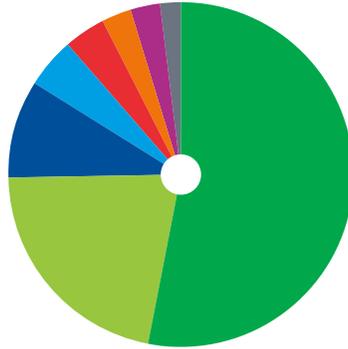
14. Broadcasters, private investors, distributors and exporters and foreign investors.

DIVERSITY

Telefilm funds a diversity of projects that represent an impressive range of Canadian voices. This variety is reflected in genres, language market, director experience, budget level, and the presence of talent from underrepresented communities. Figures for 2016-2017 are as follows:

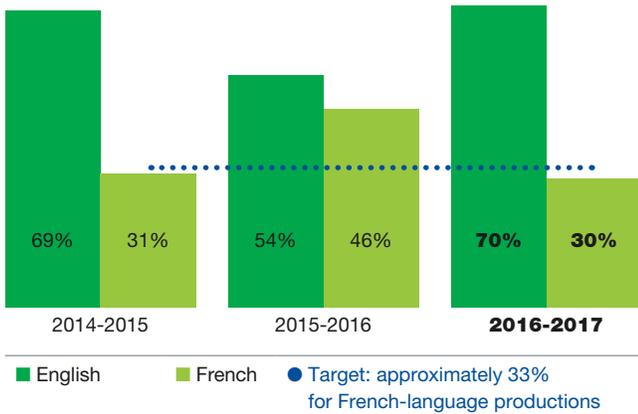
Film genres

107
films

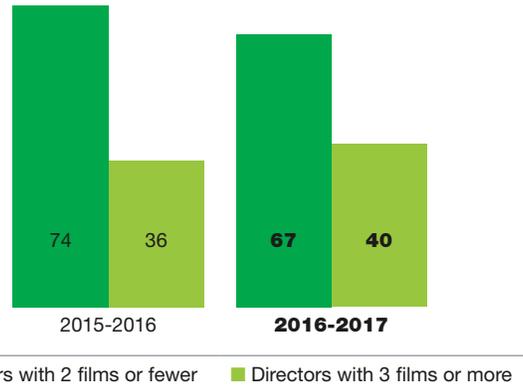


57 Drama	4 Documentary
23 Comedy	3 Romantic comedy
10 Thriller	3 Science fiction
5 Horror	2 Action/Adventure

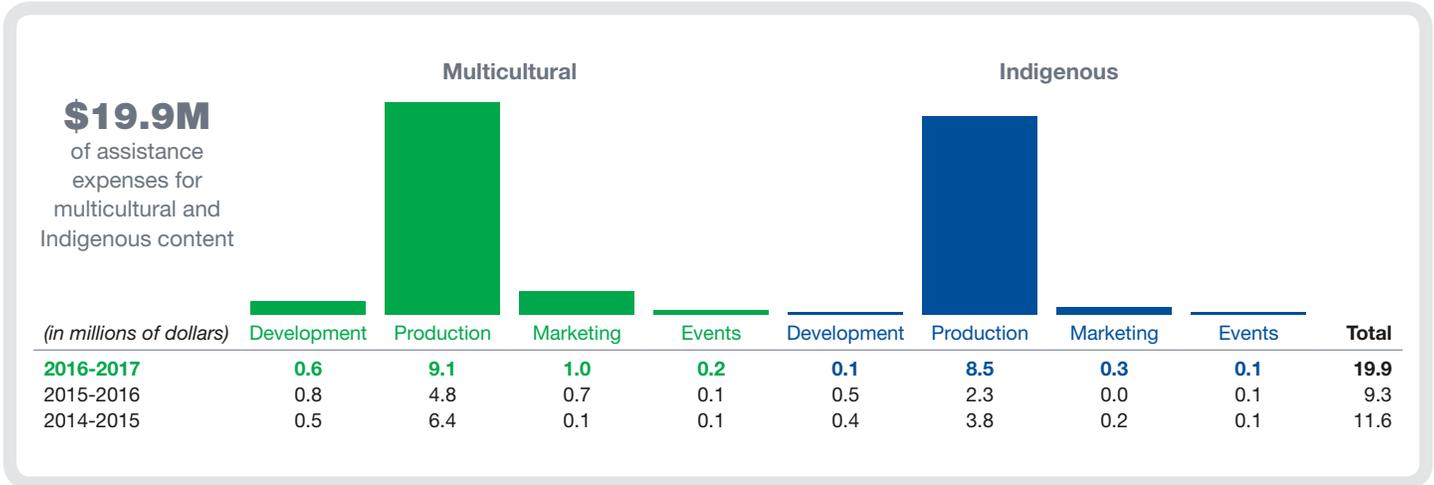
Film funding by language



Number of films produced by director experience level



Fiscal year 2016-2017 will be the last period in which Telefilm will report on multicultural and Indigenous content, in the manner below. Based on feedback, and in collaboration with the industry, the Corporation will make changes in its reporting framework on diversity. Telefilm is transitioning from content-focused tracking, to talent-focused reporting with a particular emphasis on the roles of producer, director and writer. This will allow the organization to report with greater transparency on the priorities identified as important by the industry.



GOING FORWARD

In the coming year, Telefilm will strive to accelerate advancement towards a balanced portfolio, including gender parity and representation of Indigenous communities. To achieve this objective, the need for development funding specifically reserved for such clients will be evaluated.

Finally, to encourage industry-led innovative projects, Telefilm will design and implement the Innovation Program intended to support innovative projects that will enable Telefilm to achieve the objectives set out in its 2015-2018 Strategic Plan, *Inspired by Talent. Viewed Everywhere.*



“They have this set of antenna that stays on top of the most important festivals – It’s an organization that allowed *Mermaids* to go farther than I thought was possible.”

– Patricia Rozema –

Director, *I’ve Heard the Mermaids Singing*,
 Award-Winner at Cannes 1987 – About Telefilm





TELEFILM CANADA 50

PROMOTER

Industry recognition
Promoting
the value of
Canadian content

Marketing practices
Encouraging
innovation
to reach
audiences

In 2016-2017,
Telefilm made it easier
for consumers to
discover and enjoy
Canadian content

DIGITAL ADVANCES: NEW MARKET OPPORTUNITIES



GROWTH IN GLOBAL DEMAND

- New viewing methods give audiences control, increasing demand and consumption.
- Established and emerging markets are eager for more content.



CONTENT IS KING

- Audiences expect quality and fans promote exceptional content socially.
- Canadian content garners international awards and worldwide recognition, increasing demand.



EXPAND THE REACH

- Canadian companies expand their reach as new markets and new distribution channels emerge.
- Opportunities to export to foreign markets are key for Canadian producers, faced with a small domestic market.

PROMOTIONAL STRATEGY

Support the distribution and marketing of creative content

Encourage discoverability and accessibility of Canadian creators and content on multiple platforms.

Export homegrown success

Promote creators and content in Canada and abroad.
Leverage international market presence and business relations.

Promotional activities

- National promotional campaign, Canada First, implemented
- Promotional initiatives held and supported at home
- Marquee events executed on the international stage
- International presence to reinforce strategic business relationships

Financing programs

- Marketing Program to support release strategies for films
- Promotion Program to finance film festivals across Canada
- Export Assistance Program to encourage international sales
- International Marketing Program to support Canadian talent and business activities at international festivals, markets and events

ACHIEVEMENTS

In 2016-2017, Telefilm continued to raise awareness of Canada's unique culture in order to increase notoriety of our talented creators and help build the careers of the next generation.

A GLOBAL PERSPECTIVE: EXPORT BEGINS WITH POSITIONING

EXPORT ASSISTANCE PROGRAM

This new program was introduced in fiscal 2016-2017 to provide financial incentives to foreign distribution companies operating in key territories, in support of theatrical screenings for pre-selected productions. The program was developed based on international benchmarking and sales analysis in worldwide territories.

INTERNATIONAL MARKETING PROGRAM

Participation at major festivals abroad creates significant visibility and additional distribution opportunities for Canadian films and their creators. Telefilm worked during the fiscal year to enhance the International Marketing Program, designed to complement Telefilm's services and initiatives that support producers and distributors in international markets. Improvements include:

- Coproduction market travel grants now offered to producers;
- An additional 34 international festivals now eligible;
- Short films eligible for increased financial assistance;
- Simplified program administrative procedures; and
- Funding amounts standardized based on the festival tier.

To ensure that the success of Canadian talent takes its place on the international stage, Telefilm supports the attendance of Canadians at 32 international festivals, markets and events around the world, including:



AMERICA

- Sundance Film Festival
- Palm Springs International Film Festival
- Miami International Film Festival
- South by Southwest
- Kidscreen Summit

EUROPE

- Berlinale / European Film Market
- Cannes Film Festival
- Venice Film Festival
- MIPTV and MIPCOM

ASIA

- Beijing International Film Festival
- Busan International Film Festival
- Shanghai International Film Festival

Today, content can reach audiences around the world and a global perspective can allow the industry to thrive like never before.

Telefilm Canada continues to create and hold branded initiatives around the world. Marquee events like Perspective Canada, Not Short on Talent, Eye on TIFF and Canada Stars, among others, are designed to elevate global awareness and discoverability of Canadian talent, to drive the export of Canadian cultural products, and to inspire further international production investment in Canada.

Telefilm's credibility and notoriety attracts international sales agents, buyers and festival programmers to Canadian productions and talent. Year after year, international decision-makers attend our events to discover the best and brightest Canadian talent.

THE CANADA PAVILION: A BUSINESS HUB AT INTERNATIONAL MARKETS

To support international sales and facilitate coproduction networking opportunities, Telefilm organizes Canada Pavilions at key markets abroad. The pavilions reinforce strategic business relationships as well as the Canadian brand, supported by a promotional brand identity ("See Big. Voir grand."). These networking hubs are offered at the Marché du film at Cannes, MIPTV, MIPCOM, the European Film Market, and, for the first time this year, at the Marché international du film d'animation in Annecy and Sunny Side of the Doc in La Rochelle, France.

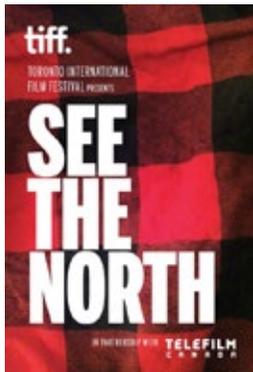
These hubs are offered in collaboration with Canadian provincial agencies and key industry partners such as the Canada Media Fund.



SEE THE NORTH: FINDING NEW AUDIENCES SOUTH OF THE BORDER

Telefilm brought select Canadian films to American cinephiles through a curated series of arthouse screenings.

In partnership with TIFF.



QUEBEC CLASSIC CINEMA IN SPANISH

Telefilm partnered with Éléphant ClassiQ, which has an ongoing mission to restore and digitally remaster heritage feature films from Quebec. Some 50 titles will be subtitled into Spanish and made available for Spanish-language film festivals in the United States and Latin America, as well as on iTunes.

In partnership with Québecor, iTunes, Technicolor and the Centre de la francophonie d'Amérique.



SOLARIS: EXPANDING INTERNATIONAL AUDIENCES

Telefilm engaged the Under The Milky Way digital film distribution and marketing service to make select Canadian films available internationally on digital platforms in six languages.

In partnership with Canadian distributors over the next three years.



DISCOVERABILITY

At home, Telefilm continued to ensure Canadian content connects with audiences by supporting 59 festivals and 74 promotional events across Canada, which attracted millions of filmgoers. Festivals and events included:



CANADA

- 1 Available Light Film Festival and Media Industry Forum
- 2 Vancouver Web Fest
Vancouver International Film Festival
- 3 The Yellowknife International Film Festival
- 4 NORTHWESTFEST
- 5 Banff World Media Festival
Calgary International Film Festival
- 6 Yorkton Film Festival
- 7 Freeze Frame: International Film Festival
For Kids of All Ages
- 8 Toronto Reel Asian International Film Festival
Toronto International Film Festival
Hot Docs
imagineNATIVE Film + Media Arts Festival
- 9 Festival international de films Fantasia
Festival International du Film Black de Montréal
- 10 Atlantic Film Festival
- 11 Charlottetown Film Festival
- 12 St. John's International Women's Film Festival

Discoverability initiatives

In celebration of the 150th anniversary of Canada’s Confederation, we launched several projects to make Canadian content easy to discover on multiple platforms, in many languages and countries.

@Canada_First #CanadaFirst: PROMOTING CANADIAN TALENT TO CANADIAN AUDIENCES

Canada First, an audience-focused promotional campaign, whose objective is to increase the discovery and improve the perceptions of Canadian feature films, continued to grow in 2016-2017, connecting with Canadians on key social media channels and content platforms.



ITUNES: A DESTINATION FOR CANADIAN CONSUMERS

Canada has been at the forefront of creating amazing audiovisual content for decades. In an increasingly competitive global market, with an abundance of content and new platforms, it is imperative to facilitate the discoverability of Canadian content among Canadian consumers—the basic premise for the creation of Canada First for iTunes:

- The store offers a curated collection of over 150 of the most successful titles released between 2005 and 2017.
- Films are available in both official languages, with a particular attention for emerging filmmakers, women and Indigenous creators.
- Canadian films were viewed over 35,000 times¹⁵ in the first two months alone.
- Canadian films previously selected at major events were highlighted (Canadian Screen Awards, Cannes Film Festival, TIFF, Academy Awards, Gala Québec Cinéma).
- Films screened at the Movie Nights Across Canada events were highlighted and promoted socially for Canadians to discover.

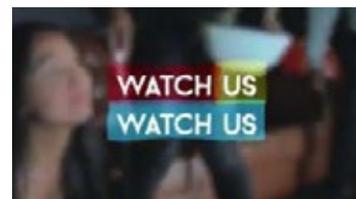
In partnership with: iTunes Canada, Entertainment One, Mongrel Media, Entract Films, FunFilm, D Films, TVA, Radio-Canada, and independent filmmakers, producers and distributors.



“WATCH US, WATCH US” VIDEO SERIES

As part of the Canada First campaign, a social media video series, *Watch Us, Watch Us*, was produced to raise awareness, improve perceptions and ultimately drive audiences to iTunes:

- Turning the cameras on real Canadians as they watch Canadian films, the videos showed viewers the emotional and unifying power of films.
- The first three videos produced for the English-language market, launched on Facebook, Twitter and Instagram, were viewed over 1.1 million times in the first two weeks alone and garnered high engagement rates across all platforms.
- Videos for the French-language market are set to launch at the start of the new fiscal year and are expected to generate equally strong levels of engagement.



15. Calculation based on Canadian Heritage Seen on Screens: *Viewing Canadian Feature Films on Multiple Platforms 2007 to 2013* (April 2015) multiplier of 1.5, versus number of orders on iTunes.

BIRKS DIAMOND TRIBUTE: SPOTLIGHTING WOMEN IN FILM

In fiscal 2016-2017, Telefilm committed to a balanced production portfolio in the key roles of writer, director and producer by 2020. As part of its action plan on gender parity, promoting women in films is a central activity. Promotional initiatives that spotlight women and celebrate their achievements reinforce the important role they play in our industry, and inspire the next generation of female talent and creators.

This year's event celebrating the 2016 Birks Diamond Tribute recipients was ever-more important. The fourth edition of the Birks Diamond Tribute to the Year's Women in Film, a partnership between Maison Birks and Telefilm, generated impressive media hits (print, online, radio and television), which resulted in a record number of media impressions.

As part of a renewed communications strategy focused on cross-promotion, *Elle Canada* dedicated several pages of its September issue and social media content to the 2016 Birks Diamond Tribute, reaching well over 1 million Canadians, further raising the profile of these women actors, directors and screenwriters.

Of note, entertainment show *ETALK* provided a behind-the-scenes coverage of the photo shoot.

Online, using a shared hashtag strategy (#BirksTribute), we focused our efforts on live reporting from the red carpet on Twitter and Facebook, engaging with Canadians.



"I believe if the younger generation starts to see celebrated women in film and awareness is amplified, then we are on track to give them the courage it takes to know it's possible. If you see it, you believe. At a younger age this makes a huge impact for young creators. It is a long-term goal where we now are the trailblazers to a more balanced industry."

- April Mullen -
Director, CBC interview about the Birks Diamond Tribute



VIA RAIL CANADA: ON-TRAIN CANADIAN CONTENT

VIA Rail's On-Train Entertainment System provides complimentary access to more than 200 hours of Canadian content—movies, daily news and TV shows—to passengers making the 3.6 million trips along the Quebec City–Windsor corridor every year.

To mark Canada's 150th, some 50 Canadian films were made available to travelers, on demand. Content is accessible through any laptop, tablet, or smartphone.

In partnership with Les Films Séville, a subsidiary of Entertainment One.



NFB.CA: SPOTLIGHT ON EMERGING TALENT

The National Film Board (NFB) of Canada's Emerging Talents web channel offers a selection of micro-budget first feature films from talented emerging filmmakers—including those from Indigenous and official-language minority communities.

The channel is presented by the NFB in partnership with The Talent Fund.



MOVIE NIGHTS ACROSS CANADA

To celebrate Canada's 150th anniversary, a cross-country series of red carpet screenings, hosted by the Honourable Mélanie Joly, Minister of Canadian Heritage, Telefilm Canada and public and private industry supporters, are featuring premier Canadian films to further elevate the profile of Canadian creators and productions.

The events showcase the best and brightest talent and spotlight film, television and digital artists from coast to coast. The films selected tell our unique stories and highlight our thriving cultural and creative industries.

The first two events welcomed full houses in Ottawa and Toronto, generated exceptional social media engagement and strong media coverage. Seven more events will follow throughout 2017 in Winnipeg, Iqaluit, Ottawa, Halifax, Calgary, Quebec City and Vancouver.

The Movie Nights Across Canada is a testament to the many partners who joined together to make this national campaign promoting our country's remarkable talent such a success.



AWARENESS

Press and social media: Connecting with fans

Proactive media relations strategies further ensured that the success of the Canadian film industry resonated with audiences and that key industry issues were addressed. Once again, strong media coverage was achieved in 2016-2017.

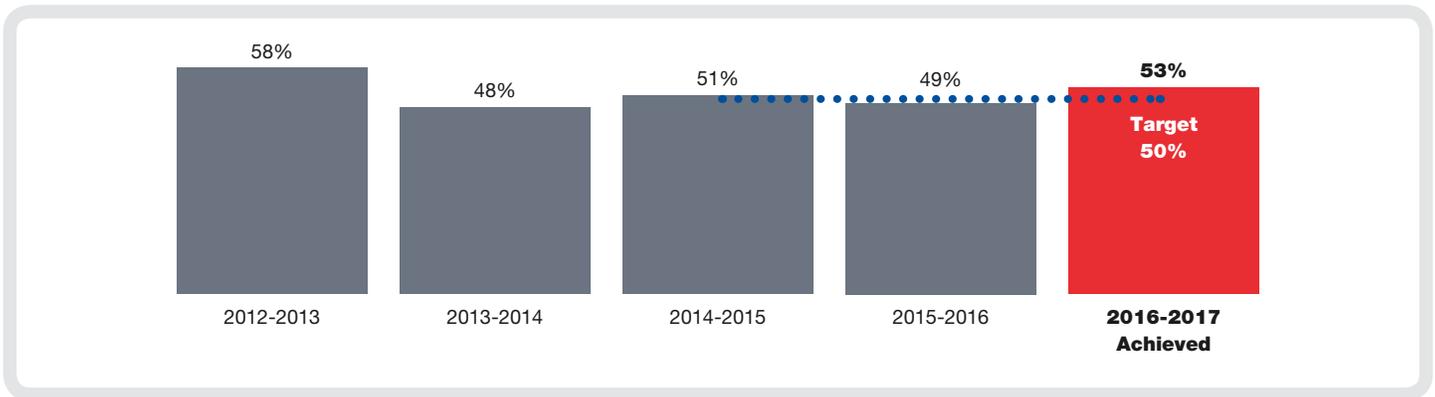
Key highlights include:

- A six-minute segment on CBC Newsworld's *On The Money* covered findings from Telefilm's *Understanding and Engaging with Audiences* study. The report received additional coverage from traditional and trade media.
- In-depth interviews with internationally renowned actor Karine Vanasse, in her new role as Talent Fund ambassador, on the *Business News Network* and with the *Journal de Montréal*.
- Strategic press junkets: Telefilm facilitated extensive coverage of homegrown talent at international festivals by culture and entertainment/lifestyle journalists and bloggers, targeting younger Canadians.

Overall, across the various social media channels, Telefilm's online community grew between 10% (French Facebook page) to 25% (corporate YouTube channel), with a consistent engagement with Telefilm's original content.

In accordance with market trends, Telefilm gradually abandoned its Google+ activities in favour of other more popular platforms. To this end, a corporate Instagram account was launched early in the new fiscal year.

Telefilm also measures the impact of its promotional efforts through an indicator regarding the **level of awareness of Canadian films among Canadians**. Awareness is the first step in reaching audiences, improving perceptions and stimulating demand for Canadian content over time. In 2016-2017, results showed that 53% of Canadians surveyed reported being able to name a Canadian film—an 8% increase over the prior year.¹⁶



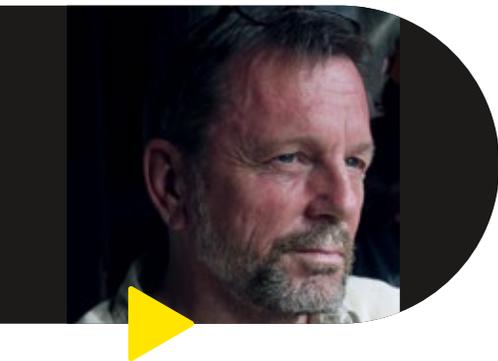
GOING FORWARD

In fiscal 2017-2018, Telefilm Canada will continue to promote the success of the Canadian audiovisual industry and the talent of its creators. Discoverability initiatives will be implemented and expanded both at home and abroad.

Internationally, the Canada Now arthouse cinema tour will launch with multiple stops around the world, including the United States, the United Kingdom and Mexico. Likewise, Telefilm will celebrate Canadian content and talent at the 2018 European Film Market in Berlin, where Canada will be the Country in Focus.

Nationally, the Canada First promotional campaign will be expanded to increase impact and awareness of industry success among Canadians. Telefilm will also continue to celebrate the 150th anniversary of Canada's Confederation by holding seven additional Movie Nights Across Canada screenings and further promoting the Canada First iTunes store.

Finally, the export strategy in place for Canadian cultural content will be refined and implemented in partnership with the industry and key stakeholders to increase international sales and recognition of the Canada brand.



“The folks at Telefilm really stretched themselves to make *Water* happen for us. [...] we shot in another country, and in a language other than french and english- but they found a way to fund it [...]. This attests to Telefilm’s commitment to multiculturalism, and not just as a concept.”

– David Hamilton –

Producer, *Water*

(2007 Best Foreign Language Film Oscar nominee)

TELEFILM 50
C A N A D A

16. A different survey methodology was used in 2012-2013.

THOUGHT LEADERSHIP

**Market intelligence
Deciding with
meaningful metrics**

Conduct and communicate value-relevant research and enhance the comprehensive success measurement.

ACHIEVEMENTS

Telefilm reports and studies launched or sponsored

Canada's audiovisual industry is composed mainly of small- to medium-sized production companies with few employees and limited resources for research. In this context, Telefilm has a valuable role to play in gathering, analyzing and disseminating business intelligence that would not otherwise be available to these companies. Telefilm provides relevant, action-oriented intelligence in two ways: first, by producing and commissioning research studies and supporting industry-led reports and, second, by supporting thought-provoking industry conferences and events.

Initiatives this fiscal year:

To track audience behaviour, market trends and profile effective digital marketing strategies

TELEFILM'S UNDERSTANDING AND ENGAGING WITH AUDIENCES REPORT

Audience behaviour

This report provides a summary of key audience insights and trends discovered through a national survey and focus group discussions. Furthermore, two key market segments, "Belonging" and "Curious", were identified as particularly promising for Canadian content. Nielsen Media Research conducted the 2016 iteration, which was released in conjunction with the Playback Marketing Summit.



PLAYBACK MARKETING SUMMIT

Sharing best practices in marketing

In order to ensure the industry better understands marketing practices that effectively reach and engage audiences, Brunico Communications and Telefilm Canada presented the second iteration of the Playback Marketing Summit. Marketing experts, representatives from major brands, distributors and producers, among others, came together to discuss innovative solutions to current market challenges. At the conference, Cynthia Pachovski, Vice President of Consumer Insights at The Nielsen Media Research, highlighted lessons from Telefilm's *Understanding and Engaging with Audiences* report.



TELEFILM'S CASE STUDIES ON MARKETING, DISTRIBUTION AND AUDIENCE ENGAGEMENT USING DIGITAL CHANNELS

Case studies

Key insights and recommendations from films financed through Telefilm's Micro-Budget Production Program were presented. The cases profiled three films—*Un film de chasse de filles*, *The Editor* and *Cast No Shadow*—each of which demonstrated leadership in digital marketing and audience engagement. Telefilm's Micro-Budget Production Program is designed for emerging filmmakers and aims to stimulate the use of new digital distribution platforms. The case studies were released in conjunction with the Playback Marketing Summit.



TELEFILM'S MICRO-BUDGET PRODUCTION PROGRAM BOOT CAMP

Micro-Budget Production Program filmmakers hailing from coast to coast were invited to participate in boot camp sessions and network with other emerging creative teams. The year's cohort of recipients participated in workshops to help them clearly identify their target market and develop strategies to reach these audiences. Alumni from previous iterations of the program shared lessons learned and key tactics used to maximize the impact and reach of films.

DRIVING INNOVATION AND CREATING NEW PATHWAYS FOR EMERGING FILM PRODUCERS AT THE LOCARNO INTERNATIONAL FILM FESTIVAL

At the Locarno International Film Festival, Telefilm presented its Micro-Budget Production Program and highlighted case studies from the program.

TO MONITOR THE STATE OF THE INDUSTRY

Profile 2016

An annual economic report on the screen-based production industry in Canada, that provides a snapshot of Canada's main production segments—Canadian production, foreign location and service production, and broadcaster in-house production—and also features top-line numbers on convergent digital media production. Telefilm is proud to provide data and financial support for the report, which includes 10 years of historical trending.



Furthermore, Telefilm supported industry-led studies on the topics of women in leadership, exporting Canadian content, documentary impact producing and discoverability.

WOMEN AND LEADERSHIP

Women and Leadership: A Study of Gender Parity and Diversity in Canada's Screen Industries provides an overview of the complexity of challenges women face and a comprehensive global survey of solutions undertaken by various agencies to combat these challenges.



EXPORT STUDIES

These studies serve to identify key trends; clarify challenges and opportunities to increase foreign sales; and make recommendations to ensure that Canadian initiatives are competitive. The reports are in alignment with the growing importance placed on exporting Canadian content, apparent within federal government policy and in terms of long-term economic strategy to protect the health of the industry.



DOCUMENTARY IMPACT PRODUCING

The past decade has seen the emergence of impact producing, a new space in documentary filmmaking that combines distribution, community outreach and audience engagement into a formalized coordinated "impact campaign." This report and tool kit presents innovative approaches, best practices and tools developed, with particular focus on the United States and United Kingdom.



DISCOVERABILITY

A framework to outline the concept of content discoverability and the experience of Canadian audiences in greater depth. Discovery, choice and access each play a different role in this journey.



INDUSTRY CONFERENCES AND EVENTS SUPPORTED

Canadian arts and culture delegation in China

Telefilm joined a delegation led by the Honourable Mélanie Joly, Minister of Canadian Heritage, in promoting Canadian arts and culture in the People's Republic of China. The group successfully strengthened relationships to encourage cultural exports, promoted the value and importance of partnerships and shared best practices.

Prime Time in Ottawa

Telefilm sponsored the Canadian Media Producers Association's Prime Time in Ottawa conference, designed for Canadian business leaders from the feature film, television, interactive media, broadcasting and telecommunications industries. At the conference, two CMPA studies funded by Telefilm were launched: *Profile 2016* and *Women and Leadership: A Study of Gender Parity and Diversity in Canada's Screen Industries*.

International Symposium on the Measurement of Digital Cultural Products (Montréal, Quebec)

This symposium was hosted by the UNESCO Institute for Statistics and the Observatoire de la culture et des communications du Québec. It served to evaluate existing statistics used to track digitized cultural products, to identify new indicators and innovative mechanisms for producing statistics and to contribute to the establishment of international statistical standards.

ANCINE international seminar on women in the audiovisual industry (Rio de Janeiro, Brazil)

Carolle Brabant, Executive Director of Telefilm Canada, spoke at this seminar about Telefilm's commitment to achieving a balanced production portfolio that reflects gender parity and diversity by 2020.

Virtually There conference and exhibition (Cambridge, Massachusetts)

Hosted by the Massachusetts Institute of Technology (MIT) Open Documentary Lab, The John D. and Catherine T. MacArthur Foundation and the Phi Centre, this conference and exhibition explored the various strands of virtual reality and implications for documentary image and experience.

ShowCanada (Los Angeles, California)

Support was provided for the Movie Theatre Association of Canada's annual conference, ShowCanada. The conference was hosted in Los Angeles, exceptionally, and featured industry experts, including Rebecca Mall, Head of Industry, Media & Entertainment at Google, who delivered the keynote speech, presented by Telefilm Canada.

Toronto International Film Festival industry conference

TIFF brings together outstanding filmmaking talent and industry leaders from around the world. Telefilm is proud to support this flagship Canadian event, where it participated in the *Women at the Helm: "Because it's 2016!"* panel, where newly implemented initiatives and commitments to providing opportunities for gender parity in film were discussed.

All Access (Winnipeg, Manitoba)

Telefilm contributed to this industry event, sharing findings from its *Understanding and Engaging with Audiences* report and participating in the Marketing and Distribution Strategies for Independent Films panel.

GOING FORWARD

Telefilm will continue to conduct and communicate research throughout 2017-2018. Research will focus on the areas of audience behaviour and best marketing practices, the state of the industry, critical issues (including diversity in filmmaking), as well as developing emerging talent and supporting industry innovation. Through industry events, workshops and online tools, findings will be communicated to the industry.



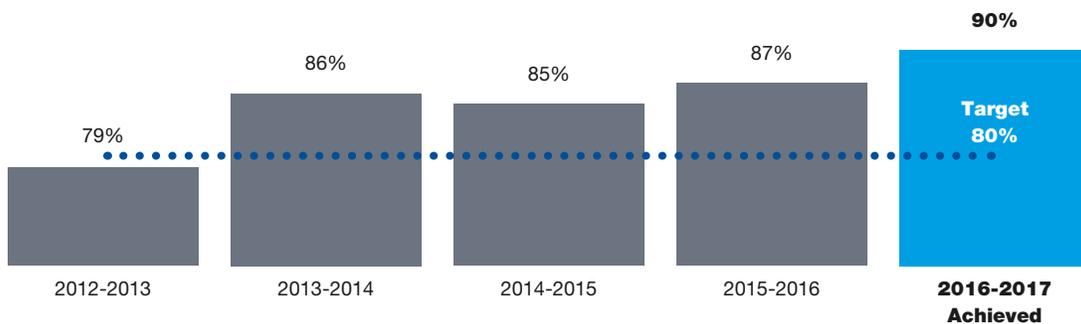
ADMINISTRATOR

Organizational excellence
Performing
in a changing
environment

During fiscal year 2016-2017, the organization continued to deliver value and effectiveness to its stakeholders.

ACHIEVEMENTS

At Telefilm, ensuring client satisfaction is paramount, and to this end the Corporation monitors the percentage of clients satisfied using a client-satisfaction indicator obtained via annual surveys. The results of these client surveys indicate a satisfaction rate of 90%, well surpassing the organization's target of 80%. The client service provided by Telefilm employees, ongoing consultations between Telefilm's management and the industry as well as continuous improvement within the organization are the main drivers of these strong results.



During this fiscal year in particular, communication was reinforced to ensure that clients were fully aware of closing dates and of improvements made to funding programs. Better results from clients accessing the Development Program drove the year-over-year growth in client satisfaction, and was related to a better understanding of the changes made to the program over time. Being proactive, Telefilm in 2016-2017 launched Dialogue, its new, latest-technology application platform that will gradually replace the aging eTelefilm application platform.

THE SURVEY ALSO CAPTURES VERBATIM FEEDBACK FROM CLIENTS

“We were incredibly satisfied with Telefilm Canada's service; it was efficient, helpful and professional, and pleasant.”

“Have had difficulty at times with eTelefilm's response times being very slow.”

“All staff were knowledgeable and effective.”

Measuring to improve

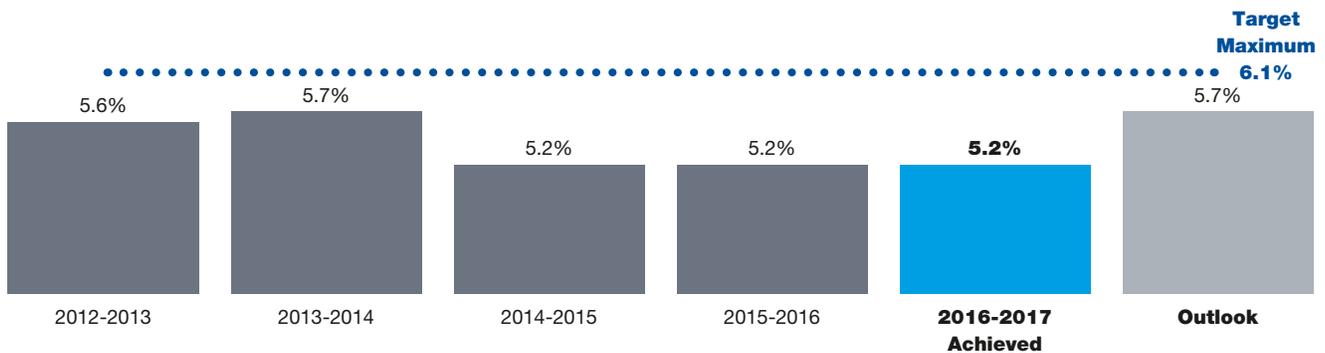
In alignment with client satisfaction levels, Telefilm monitors additional indicators that allow us to assess our ability to deliver on expectations.

This table provides an overview of several of these measures:

Indicators		Target	2016-2017	2015-2016
Operational	Response time for production financing	Weeks ≤ 10	■ 92%	■ 87%
	Response time for coproduction recommendations	Weeks ≤ 8	■ 96%	■ 91%
	Project payments	Days ≤ 10	■ 98%	■ 98%
	Supplier payments	Days ≤ 20	■ 78%	■ 78%
HR	Employee retention	92 ≤ % ≤ 94	■ 93%	■ 97%
	Recruitment time	28 ≤ Days ≤ 51	■ 40 days	■ 30 days
IT	Critical systems availability	Hours ≥ 97.5%	■ 98.2%	■ 99.2%
	Critical systems incident-free	Days ≥ 90%	■ 91%	■ 86%

Going forward, client satisfaction will remain of the upmost importance to the organization. Surveys will be optimized and administered through the Dialogue platform to increase response rates, and continued consultations with clients will enable management to understand issues in a timely manner.

Telefilm also aims to serve as an efficient administrator of cultural programs. To this end, the organization monitors a corporate performance indicator that measures operating and administrative expenses as a percentage of program expenses—the **management expense ratio**¹⁷.



The organization has maintained its low management expense ratio level of 5.2% for three years running.

Through its culture of continuous improvement, Telefilm maintained costs while delivering on its strategic objectives. Being an efficient administrator also allowed Telefilm to transfer back \$1.5 million in administrative budget savings into our funding programs, ensuring that the maximum amount of funding was provided to the industry.

17. Program expenses are comprised of Telefilm’s assistance expenses (\$101.6M) and CMF funding programs (\$362.7M), the latter of which are not included in our financial statements.

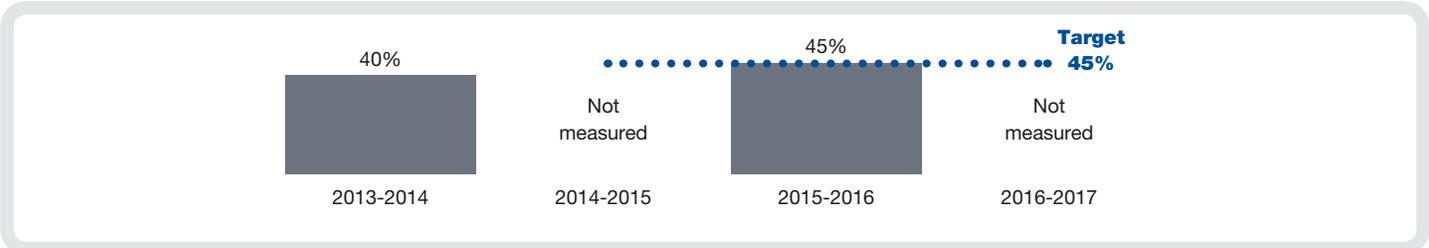
TELEFILM HAS DELIVERED IN PROVIDING LONG-TERM STAKEHOLDER VALUE BY:

<p>Optimizing and consolidating funding programs</p>	<p>Delivering administrative excellence</p>	<p>Setting strategic orientations and decisions based on sound business intelligence</p>
<p>-9% Decrease in operating and administrative expenses since 2012-2013</p>	<p>\$9.7M Administrative budget savings transferred to funding programs over the last five fiscal years</p>	<p>\$14.0M 2016-2017 project revenues reach a five-year high</p>

Employee engagement

Since fiscal 2013-2014, the Corporation has focused on employee engagement. The last employee survey, conducted in 2015-2016, demonstrated that the organization had reached its initial objective. This indicator was not measured during the 2016-2017 fiscal year.

In fiscal 2016-2017, the organization continued to implement solutions based on best practices in management and on recommendations identified by internal working groups.



Human resources progress toward employee engagement includes the following:

<p>PROMOTING COLLABORATION</p>	<p>HR POLICIES</p>	<p>EMPLOYEE RECOGNITION INITIATIVES</p>
<p>Third year of co-development sessions With a focus on collaborative problem-solving and developing coaching skills. Allows organizational capabilities to be built, employees to become involved, coaching skills to be learned and knowledge to be shared.</p>	<p>Hiring practices Improved recruitment policy with a behavioural-based selection process. Allows for greater employee engagement focus at the hiring process. A leading-edge practice among HR professionals.</p> <p>Supporting work-life balance Flexible working schedule officially adopted.</p>	<p>Celebrating years of service Implementation of annual ceremonies celebrating years of service and officially recognizing employees.</p> <p>National Public Service Week (NPSW) Telefilm's first-ever participation in the event. The Corporation recognized employees for their public service and contributions.</p>

LEVERAGING TECHNOLOGIES

In fiscal 2016-2017, Telefilm continued the implementation of its Dialogue application platform, a single, modern system that allows Telefilm to deliver on its commitment to being more agile, responsive and client-focused.

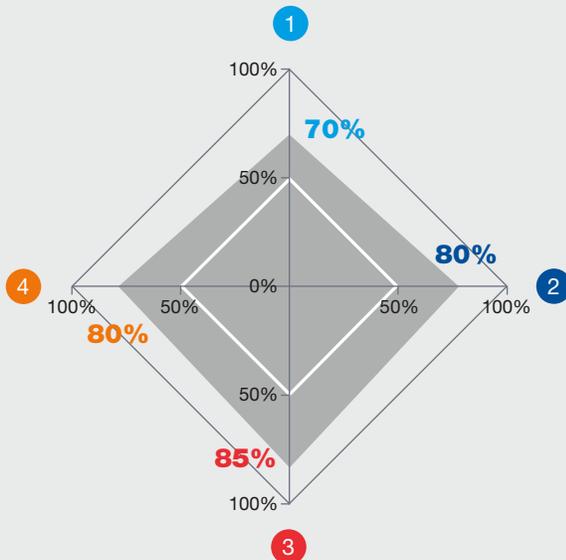
Dialogue is a business project led by Telefilm's IT department. The CMF joined Telefilm at the very start of the project, allowing for cost-efficiencies in the development of shared processes used for administering the funding programs of both organizations.

Dialogue

During fiscal 2016-2017, most of Telefilm's programs (Production, Micro-Budget, Marketing, International Marketing and Export Assistance) were migrated to the new system. The CMF's Experimental Stream programs have also been transferred, while the Convergent Stream programs are underway.

The Corporation has set project objectives:

Objectives status (in %)



- 1 **Faster time to market:** The low-code platform accelerates the development and updating of, and improvements to, funding-program processes. It has been built to evolve with new programs and partners.
- 2 **Better usability:** Fully responsive and accessible from any mobile device. A single collaborative and transparent platform used by both clients and employees. Available 24 hours a day, 7 days a week.
- 3 **Increased security:** Leverages cloud-computing advantages such as software and security updates, data confidentiality and integrity, cloud-based backup and recovery solutions, among others.
- 4 **Cost efficiency:** The integrated, cloud-based platform simplifies processes for both internal and external users. A significant reduction in the number of technologies used will provide further cost efficiencies throughout development and maintenance.

Other benefits of Dialogue include an improved data collection capability, designed for the digital era, that allows Telefilm to monitor and report on its production portfolio diversity objectives set for 2020. Dialogue is a collaborative system that will facilitate Telefilm's decision-making and contracting and improve procedures for stakeholders through interconnected processes that reduce red tape.

PHOENIX PAY SYSTEM

The Government of Canada's Phoenix pay system was successfully implemented during the fiscal year. The Phoenix direct-entry pay system was selected as it is centralized and simplifies the payment process. Factors that contributed to its successful implementation included:

- The simple human resources practices and rules in place at Telefilm;
- Telefilm's dedicated internal HR team, which ensured data integrity during the system transfer; and
- Training provided to managers and employees.



CLOUD-BASED WORKING ENVIRONMENT

Employees can now access Telefilm's Microsoft Office 365 cloud-based environment from any device, making working conditions more flexible while ensuring that information remains secure.



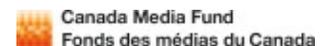
TELEFILM'S 2014-2015 ANNUAL REPORT, *TALENT WITHOUT BORDERS*, WINS AWARD OF EXCELLENCE

The Corporation was recognized with the Chartered Professional Accountants of Canada's 2016 Award of Excellence in Financial Reporting, Federal Crown Corporation (Small) category, for its 2014-2015 annual report, *Talent Without Borders*.



GOING FORWARD

The services agreement with the Canada Media Fund was renewed for a one-year period.



The Corporation plans to migrate remaining programs to Dialogue and launch other functionalities, including:

- Telefilm's Development Program;
- Telefilm coproduction recommendations process;
- CMF's Convergent Stream programs;
- Business activity monitoring capacity and related indicators;
- Reporting capacity; and
- Exploitation report process.



PUBLIC SERVICES AND PROCUREMENT CANADA INTEGRITY REGIME

Telefilm strives for administrative excellence and is keen to engage with the most ethical suppliers. As such, the Corporation intends to benefit from the services offered by the Government of Canada's Integrity Regime, whose measures are aimed at detecting and preventing fraud, collusion and corruption in contracts awarded by the Government of Canada to unethical suppliers.



FINANCIAL REVIEW

The purpose of the financial review is to present information supplemental to the financial statements and to report on the organization's past performance and future prospects. Management makes estimates and assumptions that affect the amounts shown in the financial statements; these elements are disclosed in Note 2 to the financial statements, Significant Accounting Policies. There have been no changes to the accounting standards adopted by Telefilm in the fiscal year.

Certain figures from previous fiscal years have been reclassified to conform to the presentation adopted in 2016-2017. Some figures shown have been rounded.

Highlights

- **\$101.6 million:** Assistance expenses were at their highest level since 2010-2011
- **9%:** Decrease in operating and administrative expenses since 2012-2013
- **\$14.0 million:** Investment revenues and recoveries were at their highest level in five years
- **\$1.5 million:** Administrative budgetary savings transferred to funding programs

<i>In thousands of dollars</i>	2016-2017	2015-2016	Variance \$	
Development of the Canadian audiovisual industry	78,397	67,132	11,265	①
Promotional support in Canada and abroad	23,241	28,601	(5,360)	②
	101,638	95,733	5,905	
Operating and administrative expenses	24,142	24,531	(389)	
	125,780	120,264	5,516	
Revenues	28,803	25,745	3,058	③
	96,977	94,519	2,458	
Parliamentary appropriation	97,454	95,454	2,000	④
Surplus for the year	477	935	(458)	

Variations

- ① Expenses related to our **development of the Canadian audiovisual industry** increased by \$11.3 million over the last fiscal year, as the Corporation balanced its portfolio language allocation.
- ② Expenses related to our **promotional support assistance in Canada and abroad** declined by \$5.4 million, stemming from marketing program expenses that returned to their expected level of financing this fiscal year.
- ③ Our **revenues** grew by \$3.1 million, due to a rise in investment revenues and recoveries and Canada Media Fund management fees.
- ④ The **parliamentary appropriation** increased by \$2 million, as announced in the Government of Canada's 2016 budget.

ASSISTANCE EXPENSES

Assistance expenses include all expenses that help Telefilm carry out its mission. For the fiscal year ended on March 31, 2017, these expenses reached \$101.6 million, up 6% over the previous year and at their highest level since fiscal 2010-2011.

In thousands of dollars	Budget	2016-2017	2015-2016	Budget		Variance		
				\$	%	\$	%	
Production	59,342	68,075	57,744	(8,733)	(15)	10,331	18	①
Development	7,625	6,483	5,831	1,142	15	652	11	②
Micro-budget production	2,000	2,198	1,913	(198)	(10)	285	15	③
Eurimages	–	1,088	–	(1,088)	–	1,088	–	④
Coproductions (Recommendations)	509	455	506	54	11	(51)	(10)	
Theatrical documentary	1,000	98	1,138	902	90	(1,040)	(91)	⑤
	70,476	78,397	67,132	(7,921)	(11)	11,265	17	
Marketing	10,780	9,980	17,408	800	7	(7,428)	(43)	⑥
Promotion – National activities	6,886	8,417	6,853	(1,531)	(22)	1,564	23	⑦
Promotion – International activities	4,202	4,062	3,847	140	3	215	6	
International marketing	1,000	679	493	321	32	186	38	⑧
Export assistance	–	103	–	(103)	–	103	–	⑨
	22,868	23,241	28,601	(373)	(2)	(5,360)	(19)	
	93,344	101,638	95,733	(8,294)	(9)	5,905	6	

① **Production programs** showed both an expected budget deficit and increased spending compared with the previous year, \$8.7 million and \$10.3 million, respectively. This is primarily due to the Corporation's objective to balance its portfolio language allocation.

② **Development Program** expenses generated budgetary savings while increasing over the previous year. The savings of \$1.1 million stem from the fact that fewer clients than anticipated submitted a funding application. Moreover, a 14% rise in the number of development projects financed increased our spending by \$0.7 million over the previous fiscal year.

③ The **Micro-Budget Production Program** was enhanced during the year to provide funding for a greater number of projects, 18 compared to 15 last year, which explains both the budget overrun and the increase in spending over the previous fiscal year.

④ Canada became an associate member of the **Eurimages cultural fund**, and made its first ever annual contribution. Of note, the Treasury Board granted additional funding for this promising partnership.

⑤ The **Theatrical Documentary Program** received funding applications in the third quarter of fiscal 2016-2017, in alignment with the implementation of the Dialogue platform, while the selection process was completed in the fourth quarter of 2016-2017. Contractual commitments pertaining to these funding applications will follow in the next fiscal year.

⑥ The **Marketing Program** showed a \$7.4 million decrease in spending compared with fiscal 2015-2016. It should be noted that expenses in the previous fiscal year were exceptionally high, given that several promising projects received funding; these included *Brooklyn*, *Room* and *Goon: Last of the Enforcers*. Fiscal 2016-2017 showed a return to the expected level of financing.

⑦ The **Promotion Program and national promotional activities** recorded an expected budget shortfall of \$1.5 million and an equivalent increase in spending compared with the previous fiscal year. In this regard, the Corporation agreed to provide financial support for 11 new activities and promotional initiatives showcasing discoverability across multiple platforms, Canada's 150th anniversary and the development of emerging talent.

⑧ The **International Marketing Program** generated budgetary savings of \$0.3 million during the fiscal year and an increase in spending of \$0.2 million compared with the previous year. In fall 2016, the Corporation redesigned the program, which now includes 34 additional international festivals and events. The newly launched program did not reach the expected level of expenses.

⑨ Finally, during the fiscal year, the Corporation launched its **Export Assistance Program**. This program aims to finance the international distribution of Canadian productions. Companies must specialize in film distribution and own the rights to exploit a qualified project in eligible territories.

OPERATING AND ADMINISTRATIVE EXPENSES

Operating and administrative expenses remained relatively stable compared with both the budget and the previous fiscal year. With respect to the budget, operating and administrative expenses generated savings of \$1.8 million, whereas, in comparison with fiscal 2015-2016, they were down by \$0.4 million. Salaries and benefits were the largest expenditure, representing nearly 70% of total operating and administrative expenses.

In thousands of dollars	Budget	2016-2017	2015-2016	Budget		Variance		
				\$	%	\$	%	
Salaries	18,660	16,659	17,464	2,001	11	(805)	(5)	①
Professional services	1,770	1,873	1,589	(103)	(6)	284	18	②
Rent	1,819	1,798	1,725	21	1	73	4	
Information technology	1,660	1,669	1,510	(9)	(1)	159	11	③
Travel	578	694	491	(116)	(20)	203	41	④
Office expenses	595	689	639	(94)	(16)	50	8	
Amortization and write-down of tangible assets	650	486	902	164	25	(416)	(46)	⑤
Publications	259	274	211	(15)	(6)	63	30	
	25,991	24,142	24,531	1,849	7	(389)	(2)	



① **Salaries and benefits** showed a budgetary savings of 11%, representing more than \$2.0 million. These savings stem particularly from numerous job positions that were vacant during the year, largely in the information technology sector, and by the lower-than-expected spending on employee fringe benefits due to a decrease in the share paid by the employer to the employees' pension fund.

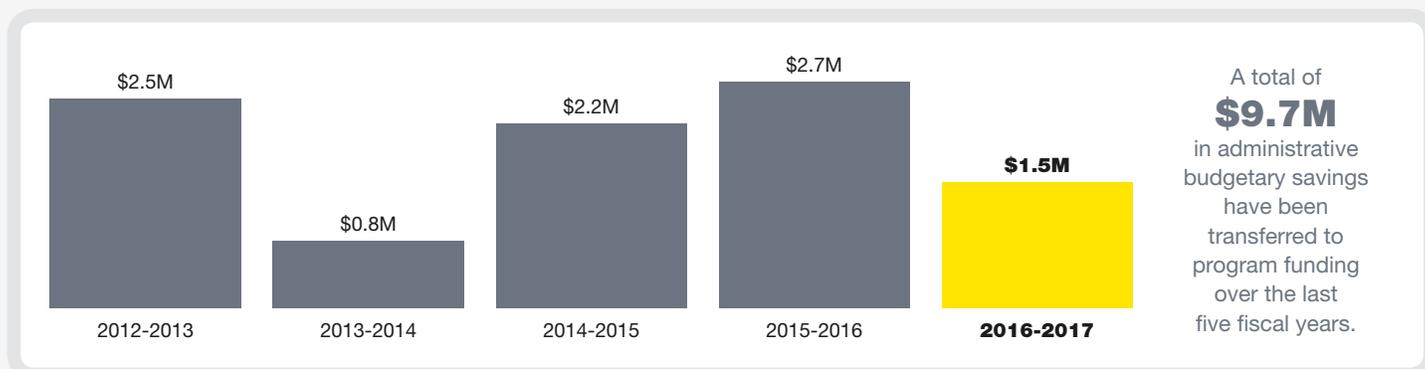
② **Professional services** fees rose by 18% compared with fiscal 2015-2016. This increase is attributable to costs associated with information technology consultants engaged to redesign the Corporation's website and improve the service level measurement of the new platform, and to research costs related to a study of Canadians' feature film consumption habits.

③ **Information technology** expenses exceeded those of 2015-2016. The increase derives from licensing costs associated with the new Dialogue platform, additional licenses being required for employees following the broader deployment of platform processes.

④ **Travel** expenses were over budget by 20% and 41% higher than in the previous fiscal year. The budget overrun stems from exceptional travel costs incurred by employees and consultants for travel related to the development and roll-out of the new Dialogue platform. The Dialogue-related travel costs also account for some of the variance found over the previous year, along with travel expenses related to co-development training sessions and the implementation of the new Phoenix payroll system. Most of these travel expenses are non-recurrent.

⑤ **Amortization** expenses were lower than both the budgeted amounts and the 2015-2016 results. The budgetary savings come from capitalized assets that remained as work in progress at March 31st. The decrease of \$0.4 million compared with 2015-2016 is attributable to a decline in the value of tangible capital assets that occurred in the previous fiscal year.

Each year, budgetary savings allow us to reinvest funds in the audiovisual industry. In 2016-2017, \$1.5 million¹⁸ in administrative budgetary savings were transferred to funding programs.



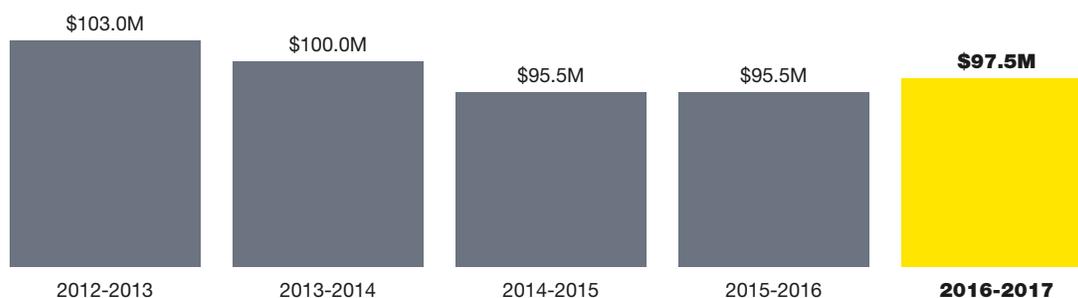
GOVERNMENT FUNDING AND REVENUES

The Corporation's total revenues amounted to \$126.3 million, 5% higher than budgeted revenues and 4% more than in the previous year. The parliamentary appropriation and investment revenues and recoveries both contributed to the increase.

In thousands of dollars	Budget	2016-2017	2015-2016	Budget		Variance		
				\$	%	\$	%	
Parliamentary appropriation	95,454	97,454	95,454	2,000	2	2,000	2	1
Investment revenues and recoveries	10,000	14,000	12,069	4,000	40	1,931	16	2
Management fees from the CMF	11,461	10,984	10,044	(477)	(4)	940	9	
Talent Fund	2,165	2,572	2,740	407	19	(168)	(6)	3
Contributions to promotional activities	817	1,133	776	316	39	357	46	4
Interest	100	114	116	14	14	(2)	(2)	
	119,997	126,257	121,199	6,260	5	5,058	4	

1 The Corporation's main source of funding is the **parliamentary appropriation**, which accounts for 77% of total revenues. As announced in the Government of Canada's 2016 budget, the amount of the parliamentary appropriation was increased, marking the first time in five years that the appropriation had risen.

Parliamentary appropriation funding

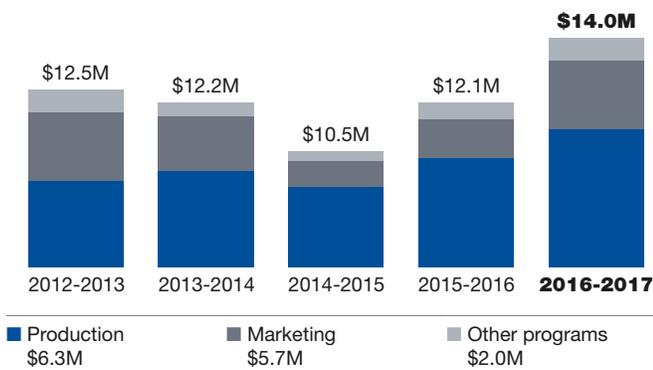


18. The budget surplus is calculated using a modified cash basis accounting method.

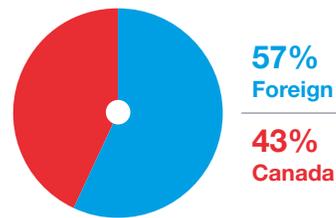
② **Investment revenues and recoveries** reached a five-year high in 2016-2017, exceeding the budgeted amount by \$4.0 million and outperforming the previous year by \$1.9 million. The increase over the previous year is reflected in the high volume of earnings received from feature film projects we funded in production and marketing:

- In the fiscal year, 18 significant marketing projects brought in a total of \$3.7 million, while in the previous year the top 12 marketing projects delivered together \$2.9 million.
- Similarly, production projects—among them the extremely successful international coproductions *Room* and *Brooklyn*—brought in significant earnings this year, demonstrating the important potential revenue implications offered by international coproductions.
- With the same number of production projects as last year, earnings were \$1 million higher this year.
- Contrary to the previous year, the international sales accounted for the lion’s share of gross sales from production projects.
- On a final note, the \$4 million budgetary surplus resulted from the Corporation setting conservative forecasts for this funding source, which is highly volatile.

Investment revenues and recoveries



Gross sales on feature film production projects



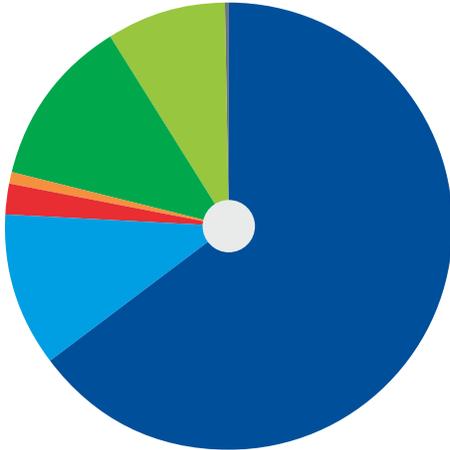
③ **Talent Fund revenues** were higher than anticipated. Since it is difficult to estimate the number of private donors and the amount of their donations, only the amounts planned for in the contribution agreements are included in the budget.

④ **Contributions to promotional support activities** were over budget and greater than last year, mainly due to the sponsorship related to Movie Nights Across Canada, part of our initiatives marking Canada’s 150th anniversary.

The following chart shows the breakdown of our funding sources:

Allocation of government funding and revenues

\$126.3M



\$82.0M

Programs – Parliamentary appropriation

\$14.0M

Programs – Investment revenues and recoveries

\$2.6M

Programs – Talent Fund

\$1.1M

Programs – Contribution to promotional activities

\$15.5M

Administration – Parliamentary appropriation

\$11.0M

Administration – CMF

\$0.1M

Administration – Interest

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 thousands of dollars

	2016-2017	2015-2016
Cost of operations	125,780	120,264
Adjustments affecting the use of parliamentary appropriation:		
Assistance expenses funded by accumulated investment revenues and recoveries	(7,404)	(3,768)
Assistance expenses adjustment where parliamentary appropriation eligibility criteria have been met	(7,561)	(8,272)
Contributions to promotional support activities	(1,133)	(776)
Assistance expenses funded by the Talent Fund	(2,892)	(2,085)
Prepaid expenses	(90)	472
Loan	(410)	–
Operating expenses funded by the CMF	(10,984)	(10,044)
Acquisitions of property and equipment	2,798	671
Salary recovery for payment in arrears transition	(23)	(17)
Write-down of tangible assets	–	(531)
Amortization	(486)	(371)
Operating and administrative expenses funded by interest	(114)	(116)
Employee future benefits	(27)	27
Parliamentary appropriation authorized	97,454	95,454

FINANCIAL POSITION AS AT MARCH 31, 2017

Overall, the Corporation's financial position remained relatively stable during the year, with the accumulated surplus increasing by 2%. The Corporation's leading asset is a Due from Consolidated Revenue Fund of \$61.7 million, which is the equivalent of cash on hand and is used mainly for the payment of contractual commitments related to funding programs.

<i>In thousands of dollars</i>	2016-2017	2015-2016	Variance		
			\$	%	
Financial assets					
Due from Consolidated Revenue Fund	61,709	57,150	4,559	8	
Cash – Talent Fund	649	985	(336)	(34)	①
Accounts receivable	2,977	2,323	654	28	②
Receivable from the CMF	3,262	3,303	(41)	(1)	
Loan	240	650	(410)	(63)	③
Liabilities					
Accounts payable and accrued liabilities	3,234	2,664	570	21	④
Deferred revenues – Talent Fund	–	2	(2)	(100)	
Financial assistance program obligations	45,172	39,596	5,576	14	⑤
Liabilities for employee future benefits	783	756	27	4	
Net financial assets	19,648	21,393	(1,745)	(8)	
Non-financial assets					
Tangible capital assets	4,662	2,350	2,312	98	⑥
Prepaid expenses	2,275	2,365	(90)	(4)	
Accumulated surplus	26,585	26,108	477	2	

① **The Talent Fund's cash position** decreased by \$0.3 million, driven by the faster pace of payments on current Talent Fund contractual commitments.

② **Accounts receivable** increased by \$0.7 million, mostly related to higher taxes receivable deriving from year-end investments from one year to another.

③ During the year, the Corporation amended its **loan** agreement by a \$0.4 million contribution and recorded it in the Statement of Operations as assistance expenses.

④ **Accounts payable and accrued liabilities** rose by \$0.6 million, stemming mainly from salaries and fringe-benefit accruals.

⑤ **Financial assistance program obligations** showed a sharp increase of \$5.6 million. This was due to a significant surge in fiscal year contractual commitments, particularly during the second half of the year.

⑥ The increase in **tangible capital assets** is primarily due to the capitalization of \$2.5 million in development costs for the Dialogue business process management system.

CASH FLOW

The Corporation uses the indirect method to report its cash flow, which is managed through the Receiver General of Canada and through a separate bank account for the Talent Fund.

<i>In thousands of dollars</i>	2016-2017	2015-2016
Operating activities	7,021	10,658 ¹
Capital activities	(2,798)	(671) ²
Cash, beginning of year	58,135	48,148
Cash, end of year	62,358	58,135

¹ Operating activities generate positive cash flow, particularly from income deriving from investment revenues and recoveries.

² During the fiscal year, the sum of \$2.8 million was recorded in tangible capital assets: \$2.5 million for developing the Dialogue business process management system and \$0.3 million for other projects stemming from the Corporation's information technology modernization plan.

SUMMARY OF PAST FISCAL YEARS

<i>In millions of dollars</i>	Outlook 2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
RESULTS								
Assistance expenses								
Production	63.4	68.1	57.7	58.7	63.4	64.9	64.4	68.3
Development	7.7	6.5	5.8	7.8	9.2	9.2	7.7	9.6
Micro-budget production	4.0	2.2	1.9	1.4	1.0	–	–	–
Eurimages	1.5	1.1	–	–	–	–	–	–
Coproductions (Recommendations)	0.5	0.5	0.5	0.5	0.4	0.5	0.6	0.6
Training	–	–	–	–	–	–	–	0.5
Theatrical documentary	2.0	0.1	1.1	0.7	0.7	0.6	0.9	0.7
Marketing	10.8	10.0	17.5	10.7	8.7	12.7	13.3	14.2
Promotion – National activities	8.2	8.4	6.9	6.4	6.3	6.6	6.8	6.7
Promotion – International activities	5.2	4.0	3.8	3.7	3.3	3.3	3.4	3.6
International marketing	1.1	0.7	0.5	0.5	0.4	0.5	0.3	0.5
Export assistance	0.8	0.1	–	–	–	–	–	–
Innovation Program	2.0	–	–	–	–	–	–	–
	107.2	101.7	95.7	90.4	93.4	98.3	97.4	104.7
Operating and administrative expenses	26.0	24.1	24.5	23.7	25.4	26.5	27.9	27.9
Government funding and revenues								
Parliamentary appropriation	100.5	97.5	95.5	95.5	100.0	103.0	105.7	105.7
Investment revenues and recoveries	10.0	14.0	12.1	10.5	12.2	12.5	11.6	9.5
Management fees from the Canada Media Fund	9.6	11.0	10.0	10.0	9.8	10.1	10.0	9.6
Talent Fund	2.2	2.6	2.7	1.8	0.1	–	–	–
Contributions to promotional assistance activities	1.2	1.1	0.7	0.9	0.8	0.9	1.0	0.9
Interest	0.1	0.1	0.1	0.3	0.1	0.2	0.1	0.3
	123.6	126.3	121.1	119.0	123.0	126.7	128.4	126.0
Surplus / (Deficit)	(9.6)	0.5	0.9	4.9	4.2	1.9	3.1	(6.6)
FINANCIAL POSITION								
Financial assets								
Due from Consolidated Revenue Fund		61.7	57.1	47.6	49.1	45.6	41.1	37.2
Cash – Talent Fund		0.6	1.0	0.5	0.2	–	–	–
Accounts receivable		3.0	2.3	4.2	3.1	2.6	4.0	3.8
Receivable from the Canada Media Fund		3.3	3.3	3.3	2.7	3.0	2.6	3.0
Loan		0.2	0.7	0.7	–	–	–	–
Liabilities								
Accounts payable and accrued liabilities		3.2	2.7	2.3	2.0	2.1	1.6	1.8
Deferred revenues – Talent Fund		–	–	0.2	–	–	–	–
Special termination benefits		–	–	–	–	0.3	0.1	–
Financial assistance program obligations		45.2	39.6	32.3	35.8	33.7	33.9	34.1
Liabilities for employee future benefits		0.8	0.7	0.8	1.0	2.3	2.0	2.1
Net financial assets		19.6	21.4	20.7	16.3	12.8	10.1	6.0
Non-financial assets								
Tangible capital assets		4.7	2.3	2.6	1.8	1.6	2.2	3.3
Prepaid expenses		2.3	2.4	1.9	2.2	1.7	1.9	1.8
Accumulated surplus		26.6	26.1	25.2	20.3	16.1	14.2	11.1

RISK MANAGEMENT



Telefilm uses an integrated risk management approach that ensures risks are considered at all stages of the business cycle—from the strategic-planning process to ongoing business operations—and throughout all levels of the organization. Focus is placed on identifying and mitigating risks that could impede the delivery of our strategic plan priorities.

The Risk Management Committee is responsible for identifying and evaluating risks and ensuring adequate mitigation measures are in place. The committee is chaired by the Executive Director and composed of all members of the Management Committee. Risks are reviewed biannually, and management takes into account both internal and external factors and their potential impact. The Executive Director reports on risk assessment to the Audit and Finance Committee.

Telefilm uses the following matrix to disclose the expected residual risks. The matrix provides a clear vision of the stakes, their evolution and the importance of the mitigating measures in alleviating negative impacts. The Risk Management Committee is currently monitoring over 20 risks.

Impact	High	<ul style="list-style-type: none"> SERVICE AGREEMENTS 	<ul style="list-style-type: none"> HR SUCCESSION PLANNING CHANGES IN THE CANADIAN AUDIOVISUAL INDUSTRY 	
	Medium	<ul style="list-style-type: none"> CLIENT SATISFACTION STRATEGIC PLAN TELEFILM'S ADDED VALUE (PERCEPTION) DIGITAL ERA 	<ul style="list-style-type: none"> PROMOTION (CREATORS AND CONTENT) BUSINESS CONTINUITY (IT) MANAGEMENT OF FUNDING PROGRAMS SYSTEMS REDESIGN FUNDING AVAILABLE INNOVATION 	<ul style="list-style-type: none"> CONTENT DISCOVERABILITY DIVERSITY EXPORTS
	Low	<ul style="list-style-type: none"> EMPLOYEE PERFORMANCE FINANCIAL MANAGEMENT GOVERNANCE 	<ul style="list-style-type: none"> FRAUD 	<ul style="list-style-type: none"> TALENT FUND REVENUES
		Low	Medium	High
		Likelihood		

Our risk identification methodology provides us with a comprehensive understanding of all risks and of their various components, making it possible to develop specific action plans aimed at lowering residual risk. Risk assessment takes into account the following:

- inherent risk;
- risk components;
- risk scenarios, implications and impacts;
- mitigation measures and attenuation factors;
- residual risk trend; and
- risk velocity.

The following table highlights several risks monitored during this fiscal year.

RISK IDENTIFICATION

Risk	Components	Scenarios / Impacts	Mitigation measures	Residual risk
HR succession planning	<p>Planned end of term, departure, long-term leave:</p> <ul style="list-style-type: none"> ■ Board members ■ Management Committee members ■ Specialized staff 	<ul style="list-style-type: none"> • Non-renewal of Board members' terms: Lack of quorum on Board committees • Management Committee: members' long-term leave or departure • Strategic succession planning and corporate memory lacking 	<ul style="list-style-type: none"> • Strong governance structure in place: <ul style="list-style-type: none"> – Board and subcommittees – Management Committee and subcommittees – Defined mandates • Briefing material provided to Board members • Strategic plan, priorities and performance measurement framework defined • Succession plan submitted to Board members 	■
Diversity	<ul style="list-style-type: none"> ■ Succeeding with a representative and diversified portfolio ■ Measurement relative to language target <p>Industry-accepted definitions:</p> <ul style="list-style-type: none"> ■ Objectives ■ Methods ■ Gender parity and Indigenous roles measures 	<ul style="list-style-type: none"> • Difficulty establishing common definitions with stakeholders • Interest groups' discontent and lack of buy-in from stakeholders • Insufficient number of projects submitted to meet objectives • Non-uniform provincial funding and difficulty closing project financing 	<ul style="list-style-type: none"> • Creation of a working group made up of 20 stakeholders • Outreach with Indigenous communities completed • Definitions of diversity set (gender and indigenous) • Program guidelines adapted • Industry advisories • One vacant designated position to be staffed by Indigenous community member 	■
Exports	<ul style="list-style-type: none"> ■ Slow growth in Canadian content production (\$) ■ Industry starting to develop export opportunities ■ Established and emerging markets eager for content ■ Foreign markets present strong growth potential ■ Coproduction levels ■ Foreign location and service production activity 	<ul style="list-style-type: none"> • Companies lack skill sets and financial resources to export • Companies lack information on foreign markets • Industry lacks propensity to export • Decrease in coproduction levels and foreign location and service production 	<ul style="list-style-type: none"> • Telefilm's funding programs: <ul style="list-style-type: none"> – International Marketing Program – Export Assistance Program • Presence at international festivals and markets • Canada now Eurimages member • Telefilm's coproduction department • Telefilm-commissioned audience reports and studies • Industry export strategy refinement underway 	■



RISK IDENTIFICATION

Risk	Components	Scenarios / Impacts	Mitigation measures	Residual risk
Content discoverability	<ul style="list-style-type: none"> ■ Success Index measurement ■ Indicators concerning access to Canadian films in cinemas and on television ■ Box office of independent Canadian films in Canada 	<ul style="list-style-type: none"> • Consumers struggle to identify Canadian films on platforms • Canadian films are not all available on consumers' preferred platforms • Consumers may not develop an interest in Canadian films • Distribution methods are poorly adapted to consumers' new behaviours • Alignment of funding programs to a shifting industry 	<ul style="list-style-type: none"> • Canada First national promotional campaign and iTunes branded destination • Canada 150 discoverability initiatives • Refinement of Telefilm funding programs: <ul style="list-style-type: none"> – Production Program – Promotion Program – Marketing Program – International Marketing Program – Export Assistance Program – Upcoming Innovation Program • Increased presence at international festivals and markets • Eurimages: Canada's membership (coproduction) • Business intelligence: Telefilm report on consumer trends • Audience reach: upcoming improvements to the Success Index measurement 	
Business continuity (IT)	<ul style="list-style-type: none"> ■ Disaster recovery plan tested ■ Availability of critical IT systems: <ul style="list-style-type: none"> – Available hours – Incident-free days ■ IT operational security standards: <ul style="list-style-type: none"> – Improvements of servers – Access management – Management of vulnerabilities and patches – Protection against malware – Backups and restores 	<ul style="list-style-type: none"> • Disasters of all kinds, viruses and malicious attacks • Inability to deliver our financial support would become problematic for clients • Non-compliance with service agreement 	<ul style="list-style-type: none"> • Monitoring of cyber risks with federal Canadian Cyber Incident Response Centre (CCIRC) • Improved traceability of Internet activities • Disaster recovery plan • Offsite outsourcing of applications • Backup power supply at head office 	



COMMUNITY INVOLVEMENT

In addition to a strong passion for Canadian film, television and media content, Telefilm's employees contribute to various causes that have a positive and meaningful impact on their communities, organizing efforts in each of the four offices, from coast to coast. These efforts take many forms each year, with several agencies and organizations counting on our ongoing support. For this fiscal year, overall donations amounted to more than \$20,000 for the following initiatives:

UNITED WAY

For many years, Telefilm employees have participated in the Government of Canada's Workplace Charitable Campaign and, over time, one thing has remained constant—generosity. During the past 10 years, employees have raised more than \$245,000 in donations for the United Way (Centraide), Health Partners (Partenaires Santé) and other organizations across the country. To encourage contributions, dedicated employee committees have used creative strategies, from dares to bake sales.



MONTREAL DIET DISPENSARY

Fiscal 2016-2017 marked the 14th year in which Montréal employees organized La Grande Bouffe Telefilm, a day-long sale of meals and treats prepared and donated by Telefilm employees in conjunction with a silent auction held during the event, which benefits the Montreal Diet Dispensary. The Dispensary's mission is to offer nutritional and social support to pregnant women in need and to assist them to deliver and raise healthy children. This cause is dear to the hearts of Telefilm employees, who every year roll up their sleeves a little higher to help newborns get a good start in life.



SECOND HARVEST HERO

Employees located in our Toronto office have been involved with the Second Harvest Hero Workplace Fundraiser for the past 13 years, contributing food and making financial donations. The Second Harvest initiative provides fresh, healthy food that would otherwise go to waste, to people in need all across Toronto. The 2016 campaign had over 150 companies, schools and community groups in the Greater Toronto Area raising funds for the food rescue program.



TALENT FUND

FONDS DES TALENTS

Telefilm Canada created the Talent Fund in 2012 to help diversify funding sources for the Canadian audiovisual industry and to ensure the industry's growth and sustainability. The Fund allows corporations as well as individuals to support the industry through donations and partnerships.

VISION

The Talent Fund ensures that emerging Canadian talent is increasingly visible across the globe. Additionally, it offers Canadian filmmakers access to stable, reliable and permanent sources of funding.

MISSION

The Talent Fund primarily supports the discovery and career progression of emerging Canadian talent in the audiovisual industry.

OBJECTIVE

The goal of the Talent Fund is to raise \$25 million over five years for the production and promotion of Canadian works by promising, emerging talent as well as by renowned, established filmmakers.

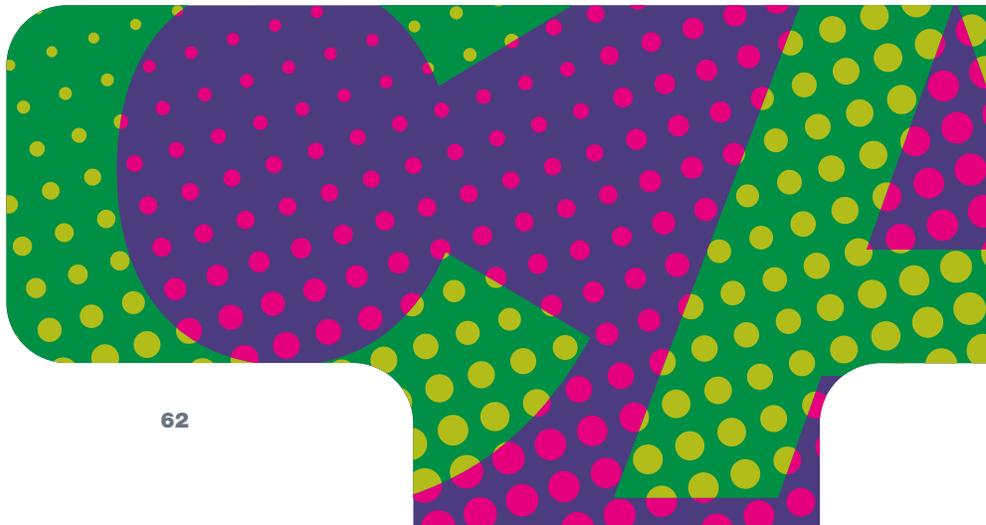
RECOGNITION FOR THE TALENT FUND

Since its launch, the Talent Fund has received strong support from notable Canadian organizations and corporations, including its principal partners Bell Media and Corus Entertainment, the Canadian Chamber of Commerce and other foundations and individual donors.

HIGHLIGHTS

In fiscal 2016-2017, The Talent Fund continued to seek new ways to make talent shine and leverage additional support. Most notably:

- Internationally renowned actor and producer Karine Vanasse became the Talent Fund's official ambassador
- Contributions totaling \$2.6 million were raised thanks to our principal partners Bell Media and Corus Entertainment, corporate donations and the generosity of individual donors
- Released this year, the Fund made possible the production of *The Sun at Midnight*, the first ever feature film produced in the Northwest Territories
- The Talent Fund provided significant financing for the Micro-Budget Production Program, which financed 18 productions
- Discoverability initiatives were supported in celebration of Canada 150, both at home and internationally





“The Fund allows filmmakers to develop more Canadian content and to tell great stories. This is a superb opportunity for all Canadians to support and showcase Canadian talent.”

– **Hartley T. Richardson** –
Chair



“As an emerging female filmmaker I am forever grateful to the Talent Fund and the generosity of the people behind it. *The Space Between*, my debut feature film, was made possible because of this program.”

– **Amy Jo Johnson** –
Director, *The Space Between*



“Shooting my first feature through Telefilm’s Micro-Budget Program was the most challenging yet rewarding experience of my career. Despite the blood, sweat and tears, I can’t wait to do it all again.”

– **Connor Gaston** –
Director, *The Devout*



“The Talent Fund can be a major player in encouraging new voices in Canadian cinema to take risks and make films in new ways and places, transforming the cinematic landscape in this country.”

– **Ashley McKenzie** –
Director, *Werewolf*



“It was an essential learning experience that allowed me to finally be able to call myself a filmmaker.”

– **Sonia Bonspille Boileau** –
Director, *Le Dep*



“We may not reach the edge of the universe in our lifetime, but with our imagination, we are able to see what it looks like.”

– **Benjamin Ross Hayden** –
Director, *The Northlander*

TALENTFUND
FONDS DES TALENTS

HOW THE FUND SUPPORTS TALENT

The Fund promotes the discovery and progression of talent in three ways:

1 FIRST FEATURE FILM FUNDING

The Fund backs Telefilm's Micro-Budget Production Program, an innovative program designed to enable emerging talent to produce and distribute a first feature. The major goals of the Program, which now receives substantial funding from the Talent Fund, are to:

- encourage innovation;
- emphasize the use of digital platforms and online audience engagement tools;
- help emerging talent in the development of their portfolio; and
- assist Indigenous Canadian filmmakers, members of official-language minority communities (OLMC) and minority groups.



“Without Telefilm’s Indigenous Micro-Budget Program supported by The Talent Fund, I never would have been able to go into production.”

– Adam Garnet Jones –
Director, *Fire Song* and *Great, Great, Great*

In fiscal 2016-2017
**18 micro-budget
films**

were supported by the Talent Fund

A first

for the Northwest Territories!

Thanks to The Talent Fund, *The Sun at Midnight* became the first ever feature film produced in the Northwest Territories.



2 RECOGNITION FOR PROJECTS OF MERIT

Feature film projects of merit that demonstrate in an exemplary way Telefilm's fundamental objective of “Inspired by Talent. Viewed Everywhere” are selected from across the country. This support allows Telefilm to offer recognition to the industry, promoting the excellence of Canadian content directly to consumers.

3 SUPPORT FOR THE PROMOTION OF CANADIAN CONTENT AND TALENT

The Talent Fund promotes Canadian content and talent by encouraging the use of innovative marketing strategies and multiplatform distribution strategies, and better showcasing emerging talent at home and on the international stage. The Fund's support helps to establish new initiatives that focus on creating awareness for Canadian talent and maximizing the impact of existing promotional activities. Furthermore, Telefilm's social media platforms serve to reinforce these efforts. In this vein, in 2016-2017 the Fund:

- funded web projects, for the first time, through the Micro-Budget Production Program;
- made films funded through the Micro-Budget Production Program available on the National Film Board's Emerging Talents channel;
- promoted Canadian talent at events and initiatives held both in Canada and on the international scene;
- provided Micro-Budget Production Program recipients with additional funding to hire an external digital and social media expert to support the marketing of each project; and
- supported diverse voices, with three projects made by filmmakers from official-language minority communities and two projects made by Indigenous filmmakers.

KARINE VANASSE: TALENT FUND AMBASSADOR

This year, award-winning film and television actor Karine Vanasse, who has starred in *Cardinal*, *Polytechnique*, *Emporte-moi*, *Blue Moon*, *Pan Am* and *Revenge*, became the ambassador for The Talent Fund. In this role, she will support fundraising initiatives and help raise the profile of Canada's next generation of directors, writers, producers and actors.

Karine Vanasse's ambassadorship reinforces the credibility and visibility of The Talent Fund and will help ensure it can deliver on its mission to support the discovery and progress of Canadian talent.



“I’m delighted that I’ll have an opportunity to help Canadians discover emerging filmmakers, who are telling their stories with creativity, boldness and originality. As someone who started her career at a young age, I know how important it is to promote young creators—many of whom will become tomorrow’s stars.”

– Karine Vanasse –

TALENT FUND ADVISORY COMMITTEE

The Fund is led by an advisory committee of business and community leaders from across the country and chaired by Hartley T. Richardson. Committee members have demonstrated their profound dedication to the Fund's success, for which Telefilm and its stakeholders are truly grateful. Following are the members of the committee:



Hartley T. Richardson
C.M., O.M., LL.D
Chair, Talent Fund
Advisory Committee
President & CEO,
James Richardson
& Sons, Limited
(Manitoba)



David Aisenstat
Owner & CEO,
Keg Restaurants Ltd.
(British Columbia)



John Bitove
CEO, Obelysk Inc.
(Ontario)



Mark Dobbin
Founder & President,
Killick Capital Inc.
(Newfoundland
and Labrador)



Margaret Anne Fountain
Philanthropist and
art activist
(Nova Scotia)



Dr. Anil Gupta
Medical Director of
Clinical Cardiology,
Trillium Health Centre
(Ontario)



Carol R. Hill
Director of
Communications
for Harvard
Developments Inc.,
A Hill Company
(Saskatchewan)



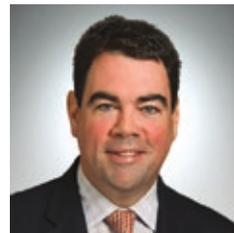
Christine Magee
Executive Co-Chair
of Sleep Country Canada
(Ontario)



Sandi Treliving
Philanthropist and board
member of the Centre
for Addiction and Mental
Health Foundation
(British Columbia)



Michael Phelps
Chairman
Dornoch Capital Inc.
(British Columbia)



Peter Hudson
Founder and CEO
HTG Sports Services
(Ontario)

The Talent Fund is very pleased to welcome two new members: Michael Phelps, Chairman of Dornoch Capital Inc., from Vancouver and Peter Hudson, Founder and Chief Executive Officer of HTG Sports Services, from Ottawa.

TALENT FUND FINANCIAL REVIEW

REVENUES

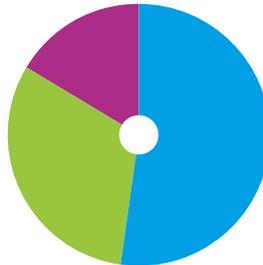
During the last fiscal year, the Talent Fund recorded \$2,572,000¹⁹ in revenues:

- \$1,346,000 from Bell Media and \$810,000 from Corus Entertainment, as per the long-term tangible benefit funding agreements signed with both entities;
- over \$416,000 from 78 private donors contributed during the fiscal year, \$56,000 more than the previous fiscal year.

Revenue sources

(in thousands of dollars)

\$2,572



\$1,346
Bell Media

\$810
Corus Entertainment

\$416
Other donors

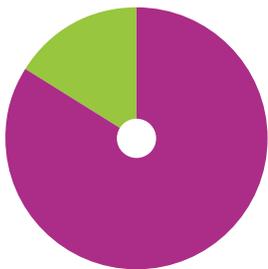
INVESTMENTS

The Talent Fund allocated \$2,229,000 of financing for the production and promotion of projects, as follows:

- In 2016-2017, the Talent Fund financed 56% of the Micro-Budget Production Program;
- During fiscal 2016-2017, the Fund placed greater emphasis on discoverability activities.

Allocation of funds – Production

(in thousands of dollars)



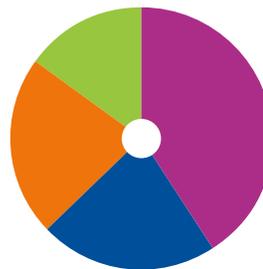
\$1,310

84%
Emerging filmmakers

16%
Animation

Allocation of funds – Promotion

(in thousands of dollars)



\$919

41%
Discoverability

22%
Exporting talent

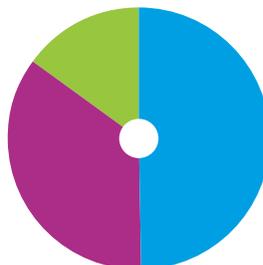
22%
Marquee events

15%
Innovation and
digital distribution

Finally, to cover previously committed funding obligations, the Talent Fund maintained a balance of \$649,000, assigned as follows:

Cash – Talent Fund

(in thousands of dollars)



\$323
Bell Media

\$230
Other donors

\$96
Corus Entertainment

19. All financial figures are rounded. For complete analysis, see Note 4 to the financial statements.

EXPENSES

During fiscal 2016-2017, Telefilm funded \$248,500 for the benefit of the Talent Fund, covering canvassing expenses and fundraising activities; as such, every dollar contributed to the Talent Fund directly benefited the Canadian film industry.

TALENT FUND PRINCIPAL PARTNERS



**FILMS (PRODUCTION AND PROMOTION STAGES)
AND PROMOTIONAL EVENTS SUPPORTED BY THE TALENT FUND**

PRODUCTION

Micro-budget

- 3.0
- Abigaëlle et le date coaching
- Black Cop
- Breaking Ice: The Arctic Uncovered
- Final Cut
- Firecrackers
- Geek Girls
- Hier encore
- In Plainview

- Indian Road Trip
- Les faux tatouages
- Les scènes fortuites
- Lovely Witches Club
- Luk'Luk' I
- Mary Goes Round
- Talent
- The Capital
- The Road Behind

Animation

- La course des tuques / Snowtime! 2

PROMOTION

Discoverability

- Course des Régions event for emerging francophone filmmakers
- French promotional campaign (online videos)
- National Canadian Film Day screenings
- Films on VIA Rail on-board viewing platform

- Prix collégial du cinéma québécois
- Micro-budget pitch event at Regard sur le court festival
- Canadian films on various video-on-demand platforms around the world

Exporting talent

- Festival international du film d'animation d'Annecy and its market (MIFA)
- See the North art-house circuit tour in the United States
- Partnership with Unifrance's online My French Film Festival
- Unifrance and Telefilm Canada independent cinema networking event at TIFF

Marquee events

- Sprint Pre-Gala online campaign

Innovation and digital distribution

- Support for digital and social media distribution Micro-Budget Production Program

GOVERNANCE

Telefilm Canada is a Crown corporation subject to the *Telefilm Canada Act* as well as to certain provisions of the *Financial Administration Act* (FAA). To ensure that the Corporation operates with a certain measure of independence, Parliament has chosen to exempt Telefilm from the application of most articles found in Part X of the FAA. In compliance with the FAA, Telefilm's Chair submits to the Minister of Canadian Heritage an annual report on the activities and results of the fiscal year, the Corporation's financial statements, as well as the related independent auditor's report from the Office of the Auditor General of Canada. The annual report is reviewed and approved by the members of Telefilm's Board of Directors.



70
Members
of the Board

75
Management
Committee

BOARD OF DIRECTORS

The Board of Directors supervises the management of Telefilm's activities and business with the objective of enabling the organization to fulfill its mandate in an optimal manner. It comprises six members, appointed by the Governor in Council, as well as the Government Film Commissioner, who is appointed as per the provisions of the *National Film Act*. The Governor in Council designates one of the members of the Corporation to serve as chairperson of the Corporation "during pleasure". In accordance with the *Telefilm Canada Act*, Board members must meet at least six times during the year.

The Board fulfills its management role and has defined its fiduciary responsibilities through a mandate that covers, among other things:

- corporate strategy;
- human resources and performance assessment;
- internal controls and financial matters;
- governance and communications; and
- environment, security and protection.

The Board follows exemplary governance practices to ensure that its meetings are planned, structured and effective. The Board ensures that management systems and practices in effect meet the Board's needs and provide it with the necessary confidence regarding the integrity of information generated. The Executive Director attends all Board meetings, and certain managers are invited to speak on specific matters that require in-depth consideration. Generally, meetings are held at the head office in Montréal. In most cases, a meeting is followed by an in-camera session so that members may discuss issues without the presence of management.

During the fiscal year, the Board discussed several topics of interest, including some that were queried initially through its committees:

- preparations to mark the Corporation's 50th anniversary;
- update to the policy governing Board members' remuneration and compensation; and
- monitoring of progress of the strategic plan by means of performance-based indicator reports submitted regularly by the Executive Director.

**Number of
meetings held**

6

Moreover, special attention was given to the place occupied by minorities and women in Telefilm's programs and initiatives. To this extent, several programs were updated to ensure that the Corporation builds, by 2020, a representative and diversified feature film portfolio that better reflects Canada's population.

INDEPENDENCE OF THE BOARD

Section 5 of the *Telefilm Canada Act* is aimed at ensuring that all members remain independent by providing that no person who has any pecuniary interest in the audiovisual industry, directly or indirectly and individually or as a shareholder, partner or otherwise, is eligible to be appointed or to hold office as a member. Coupled with this guarantee of independence is the members' obligation, under the Corporation's Bylaw 1, to disclose to the Chair any private interest which might otherwise place them in a situation of conflict of interest with their official duties and to abstain from voting on any resolution that would place them in a conflict of interest situation. All members are also required to submit an annual declaration of interest. Furthermore, members are subject to the provisions of the *Conflict of Interest Act*. Finally, all members are independent of the Management Committee.

MEMBERS OF THE BOARD^{20,21}

BIOGRAPHIES



Michel Roy

Chair of the Board

Appointment date

October 2007

Length of current term

5 years, ending in October 2017

Experience

- Public administrator
- Quebec Deputy Minister for Tourism and for Communications
 - Business management consultant
 - Film editor for television, content creator, author and recorded musician and composer



Corey Anne Bloom, CPA, CA, CA-IFA, CFF, CFE

Interim Chair, Audit and Finance Committee

Appointment date

October 2013

Length of current term

5 years, ending in September 2018

Experience

- Chartered Accountant, specialist in Forensic Accounting and Certified Fraud Examiner
- Experienced in fraud investigations, forensic accounting, dispute resolution, litigation support, IT forensics and auditing
 - Served as Chair of the International Board of Regents of the Association of Certified Fraud Examiners and led the fraud advisory services practice as well as the forensic IT practice of a large accounting and consulting firm



G. Grant Machum, LL.B.

Vice-Chair of the Board and Chair of the Nominating, Evaluation and Governance Committee

Appointment date

May 2008

Length of current term

5 years, ending in February 2020

Experience

- Lawyer, partner
- Labour law and corporate governance
 - Past Chair of NSCAD University (Nova Scotia College of Art & Design)
 - Member of various boards
 - Community fundraiser

20. For longer versions of members' biographies, please consult the Board Members page on Telefilm's website. Members shown here were in office as at March 31, 2017.

21. Telefilm's Board of Directors has a vacant position as at March 31, 2017.

BIOGRAPHIES



Ram Raju

Member

Appointment date

May 2010

Length of current term

5 years, ending in May 2020

Experience

Internet entrepreneur

- Internet entrepreneur in digital media and management
- Vice-President, Canadian Association of Campus Computer Stores
- Served as Professor of Information Systems, Dalhousie University



Marie-Linda Lord, Ph.D.

Chair of the Strategic Planning and Communications Committee

Appointment date

June 2015

Length of current term

5 years, ending in June 2020

Experience

Professor-researcher, writer and journalist

- Vice-President of Student and International Affairs at the Université de Moncton
- Vice-President of the Réseau francophone des femmes responsables dans l'enseignement supérieur et la recherche with the Agence universitaire de la Francophonie
- Served as Director of the Institut d'études acadiennes, Chair of Acadian Studies, and full professor at the Université de Moncton
- Served as Chair and member of TV5 Québec Canada's Board of Directors
- Recipient of the Queen Elizabeth II Diamond Jubilee Medal



Claude Joli-Cœur, LL.B.

Ex-officio member

Appointment date

November 2014

Length of current term

5 years, ending in November 2019

Experience

Lawyer

- Film Commissioner and Chair of the National Film Board of Canada
- Senior executive in charge of the National Film Board of Canada's business affairs and legal services, strategic planning, government relations and corporate communications
- Specialist in entertainment law and international coproduction
- Board member of the Canadian Retransmission Collective

CHANGES TO THE BOARD OF DIRECTORS

The Governor in Council appoints members to the Board. All members are part-time public office-holders, except for the Government Film Commissioner. This year marked the final year of Elise Orenstein's term as member of the Corporation's Board, with her mandate ending on December 2016, her seat has remained vacant since. Furthermore, G. Grant Machum was appointed Vice-Chair of the Board in March 2017, pursuant to section 9 of the *Telefilm Canada Act*.

THE BOARD AND ITS COMMITTEES

The Board has established three committees to help it fulfill its responsibilities. Each committee has its own charter and is composed of at least three members, whose membership is reviewed annually. The committees serve to address issues that require specific expertise. Committees make recommendations to the Board on matters that fall within their areas of competence. Committees regularly invite senior managers to attend meetings, a practice that fosters alignment with the Corporation's objectives. Board members who do not sit on a given committee are not required to attend committee meetings.



AUDIT AND FINANCE COMMITTEE

Chair²²

Corey Anne Bloom,
Interim Chair²³

Members

Michel Roy
Marie-Linda Lord

Number of
meetings held

5

The committee assists members of the Board by addressing issues of a financial nature as well as those relating to risk management.

The committee's responsibilities are set forth in a charter and include, among other things:

- the production of financial information;
- the monitoring of risk management and management of internal controls;
- the monitoring of auditors; and
- the committee's performance.

Representatives of the Office of the Auditor General of Canada, internal auditors, the Executive Director, the Director, Administration and Corporate Services, as well as the Controller are invited to all meetings.

Managers present information and the various issues are discussed.

The committee addresses topics of interest such as budgets and financial and auditing results. During the fiscal year, the Committee proposed, among other things, that the policy governing remuneration and compensation of the Board Chair and Board members be updated.

22. Elise Orenstein served as Chair of the Audit and Finance Committee until the end of her term as Board member on December 2016.

23. Corey Anne Bloom was appointed Interim Chair of the Audit and Finance Committee in March 2017.

NOMINATING, EVALUATION AND GOVERNANCE COMMITTEE

Chair

G. Grant Machum

Members²⁴

Michel Roy
Marie-Linda Lord²⁵

Number of
meetings held

4

This committee assists the Board mainly on issues relating to human resources management.

The committee's responsibilities are set forth in a charter and include, among other things:

- general practices related to human resources;
- the composition and evaluation of the Board, and evaluation of the Executive Director;
- governance issues; and
- the committee's performance.

In addition, the committee reviews, as needed, topics of interest such as performance evaluation, the Compensation Policy and the Policy on Incentive Programs.

During the fiscal year, the committee verified the compliance of the Corporation's performance evaluation process.

STRATEGIC PLANNING AND COMMUNICATIONS COMMITTEE

Chair

Marie-Linda Lord

Members²⁶

Ram Raju
Michel Roy

Number of
meetings held

3

The responsibilities of this committee are set forth in a charter and include, among others, those bearing on:

- short- and long-term strategic planning processes;
- issues related to communications; and
- the committee's performance.

During the fiscal year, the committee followed up on the progress of the Corporation's strategic plan and its communications plan, recommended that a plan be put in place in connection with the Corporation's 50th anniversary, and began laying the groundwork for the 2018-2020 strategic planning process.

24. Elise Orenstein was a member of the Nominating, Evaluation and Governance Committee until the end of her term as Board member in December 2016.

25. Marie-Linda Lord has been a member of the Nominating, Evaluation and Governance Committee since March 6, 2017.

26. Elise Orenstein was a member of the Strategic Planning and Communications Committee until the end of her term as Board member in December 2016.

BOARD MEETINGS: COMPENSATION AND ATTENDANCE

Board members²⁷ are remunerated for their attendance at meetings and for other activities inherent to their duties. Compensation is aligned with guidelines governing remuneration of part-time public office-holders appointed to Crown corporations by the Governor in Council. The Corporation pays a yearly honorarium, determined by the Governor in Council, to the Board Chair. The Corporation also grants all directors (including the Chair) a per-diem allowance for Board and committee meeting preparation and for each day they attend meetings. Amounts are paid as per the following pay scales:

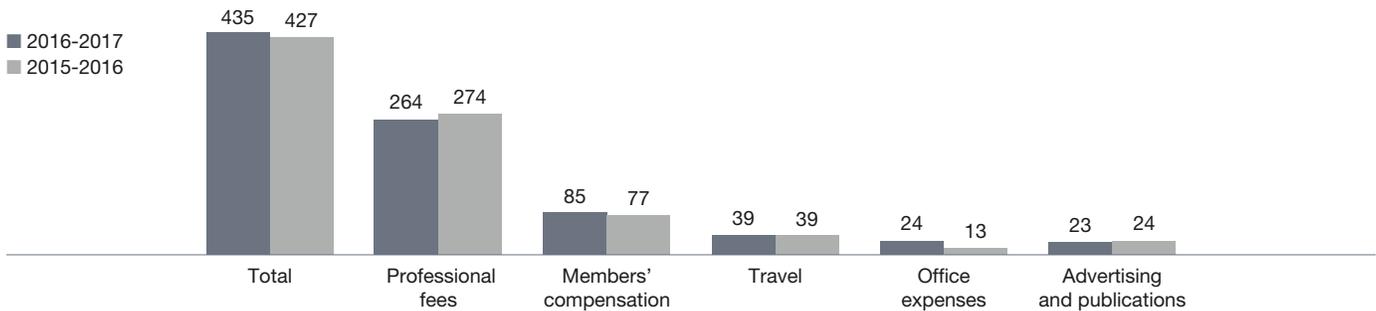
- Chair's annual remuneration: between \$7,100 and \$8,400;
- Per-diem allowance: between \$310 and \$375.

The following graph shows expenses incurred by the Board and its committees in relation to, among other things, internal auditing work, the Annual Public Meeting and the holding of meetings.

Board expenses

(in thousands of dollars)

■ 2016-2017
■ 2015-2016



The following table outlines members' attendance at various committee meetings:

	Board of Directors 6 members 6 meetings	Audit and Finance Committee 3 members 5 meetings	Nominating, Evaluation and Governance Committee 3 members 4 meetings	Strategic Planning and Communications Committee 3 members 3 meetings
Michel Roy	6	5	4	3
Elise Orenstein²⁸	3	4	3	2
G. Grant Machum	5	–	4	–
Ram Raju	5	–	–	3
Corey Anne Bloom	5	5	–	–
Claude Joli-Cœur	3	–	–	–
Marie-Linda Lord	5	5	2	3

27. As an officer within the federal public administration and ex-officio member of the Board of Directors, the Government Film Commissioner is not entitled to compensation.

28. Ms. Orenstein attended meetings of the Board and its committees until the end of her term as Board member on December 2016.

MANAGEMENT COMMITTEE

The Executive Director, appointed by the Governor in Council, is the Corporation's chief executive officer. In this capacity, the Executive Director is responsible for leading and controlling the management of the Corporation. The Management Committee is the Executive Director's primary instrument for discussion of strategic, planning and organizational matters. This committee, whose membership consists of the Executive Director and the directors responsible for all the Corporation's activities, addresses all issues pertaining to the Corporation's policies and directions. The Executive Director, Carolle Brabant, chairs the committee.



Committee member	Responsibilities
 <p>Carolle Brabant, FCPA, FCA, MBA Executive Director</p> <p>Appointment date March 2010</p> <p>Length of current term 2 years, ending March 2018</p>	<ul style="list-style-type: none"> • Responsible for the Corporation's management and results • In collaboration with the Board, defines the strategic directions and ensures their implementation • Ensures the provision of services for the development and promotion of the Canadian audiovisual industry at home and abroad • Chairs the Management Committee, Risk Management Committee and Appeal Committee

Experience

- A Chartered Accountant by training, Ms. Brabant joined Telefilm as an auditor in 1990. She was promoted Director of Finance and Administration in 2003 and appointed Executive Director in March 2010.
- She is recognized for her cultural vision, financial acumen and skills as a gifted communicator. Ms. Brabant distinguished herself through her leadership role in promoting Canadian talent and content in Canada and on the international scene.
- She was awarded the Excellence in Leadership Award from Canadian Women in Communications (CWC) and recognized as one of Canada's Top 100 Most Powerful Women by the Women's Executive Network (WXN). She also received the honorary distinction of Chevalier de l'Ordre des Arts et des Lettres de la République française.
- Ms. Brabant sits on the board of the Fondation Pinel.

Committee member



Francesca Accinelli
Director, National Promotion and Communications

Responsibilities

- Responsible for corporate and promotional communication strategies with a focus on social media campaigns
- Responsible for managing national promotion campaigns, ensuring initiatives increase visibility and promote Canadian talent to the general public
- Strengthens and enhances Telefilm's branding

Experience

- Ms. Accinelli holds a Bachelor of Fine Arts, with a focus on film studies. She joined Telefilm in 2006 as the Deputy Director, English Market, of the Canadian Television Fund program administrator (now the CMFPA) and was subsequently promoted Director, English Market, in 2008. She is now the Director of Telefilm's National Promotion and Communications department.
- She began her career as a cultural administrator and theatre producer, managing both the production and promotion of plays, and then moved on to television production, working on TV series and movie-of-the-week formats produced for Alliance Atlantis, among other companies.

Committee member



Roxane Girard, CPA, CA, MBA
Director, Business Affairs and Coproduction

Responsibilities

- Responsible for the administration of funding agreements, delivery of regional and national events as well as the provision of services related to the agreement with the Canada Media Fund
- Responsible for audiovisual coproduction recommendations
- Chairs the Operational Committee

Experience

- Ms. Girard is a Chartered Accountant by training and holds a Master of Business Administration degree.
- She joined Telefilm Canada in 2006 as Director, French Market, of the Canadian Television Fund Program Administrator (now the CMFPA), and was subsequently promoted to National Director. She joined the Management Committee in 2015 as Director of Business Affairs and Coproduction.
- Ms. Girard worked in film production before joining the Société de développement des entreprises culturelles du Québec (SODEC), where she was General Manager, Enterprise Funding, and sat on the Board of Directors. She has more than 20 years of experience in the audiovisual industry.

Committee member



Jean-Claude Mahé
Director, Public and
Governmental Affairs

Responsibilities

- Responsible for all issues related to government policies and for liaising with the Department of Canadian Heritage and other government departments
- Responsible for implementing promotion and networking activities that help forge ties among the Canadian audiovisual industry, public spheres and the business community
- Responsible for the Talent Fund

Experience

- Mr. Mahé holds a Bachelor of Education degree and began his career with Telefilm as a consultant before being hired as Director, Communications and Public Affairs.
- He worked for almost two decades at the National Film Board, where he rose to hold such important positions as Director of Communications and Secretary to the Board.
- Throughout his long and distinguished career, Mr. Mahé has been dedicated to educational issues. He was awarded the Meritorious Service Cross (Civil Division) by the Governor General of Canada for his work in the defense of French-language education in Canada.

Committee member



Stéphane Odesse, LL.B., D.Fisc.
Director, Legal Services and
Access to Information

Responsibilities

- Responsible for applying and interpreting Telefilm Canada's governing legislation and regulations as well as addressing questions pertaining to governance and funding agreements
- Responsible for setting legal standards and policies
- Serves as Corporate Secretary

Experience

- Mr. Odesse holds a Bachelor of Laws degree and a Specialized Graduate Diploma in Taxation, and is a member of the Barreau du Québec and the Canadian Bar Association.
- He has been providing legal services to Telefilm since 1994, and was promoted to Director of Legal Services in 2002. He has also been serving as Corporate Secretary since October 2003.
- Before joining our institution, Mr. Odesse practiced commercial law, corporate law and copyright law for many years. He also participates in several legal bodies, including the Association des secrétaires et chefs de contentieux du Québec, the Association des juristes pour l'avancement de la vie artistique and the Association Littéraire et Artistique Internationale (ALAI).

Committee member	Responsibilities
 <p>Denis Pion Director, Administration and Corporate Services</p>	<ul style="list-style-type: none"> • Responsible for administrative duties related to finance, human resources, information technology and material resources • Responsible for administering the service agreement with the Canada Media Fund • Chairs the Human Resources Committee
Experience	
<ul style="list-style-type: none"> • Mr. Pion holds a bachelor degree in computer science and joined Telefilm in 1991 in a consulting role. • Subsequently he was promoted as Director, Technology and Information Systems and subsequently promoted to Director, Information, Performance and Risk. In April 2010, he was appointed Director, Administration and Corporate Services and joined the Management Committee. 	

Committee member	Responsibilities
 <p>Marielle Poupelin²⁹ Acting Director, International Promotion</p>	<ul style="list-style-type: none"> • Responsible for the promotional strategy that aims to increase the visibility and availability of Canadian talent, companies and works on the international scene • Responsible for developing initiatives that position content at international festivals and for stimulating international sales and coproductions • Develops international relations and partnerships
Experience	
<ul style="list-style-type: none"> • Ms. Poupelin holds a degree in administration. In 2004, she joined Telefilm as an investment analyst as part of the feature film selecting team. In 2010, she was promoted Deputy Director, Coproduction. Since 2016, she has also served as acting Director, International Promotion. • Ms. Poupelin began her career working in film production in France and moved to Canada in 1990, where she continued working in film and TV production. 	

29. Replacing Sheila de La Varende, Director, International Promotion.

Committee member	Responsibilities
 <p>Michel Pradier Director, Project Financing</p>	<ul style="list-style-type: none"> • Leads the team responsible for project funding decisions • Acts as representative during information and consultation sessions with the industry
<p>Experience</p>	
<ul style="list-style-type: none"> • Mr. Pradier holds a certificate in computer science. He began at Telefilm as a financial analyst for the film and television units and became head of the television unit before being promoted interim Director of the Quebec regional office in 2001. He was subsequently promoted Director, Project Financing, and joined the Management Committee. • Before starting his career in the public sector, Mr. Pradier spent more than 10 years developing his expertise in film and media production. He also held the positions of executive and financial analyst in the departments of investment and tax credit at the SODEC. 	

Self-directed team	Responsibilities
<p>Strategy and Research</p>	<ul style="list-style-type: none"> • Takes part in the development and implementation of organizational strategy and provides support for and follow-up of the strategic plan • Responsible for implementing and delivering on research plans and ensuring their communication

SUBCOMMITTEES³⁰

The work of the Executive Director is supported by subcommittees that provide in-depth consideration of specific topics having varying degrees of complexity. Subcommittee minutes are circulated at each Management Committee meeting, thus ensuring that information is well communicated. The Executive Director grants decision-making powers to the subcommittees, which can then act to resolve operational issues.

OPERATIONAL COMMITTEE

Chair

Roxane Girard

Members

Jean-Claude Mahé, Denis Pion,
Michel Pradier, Marielle Poupelin³¹

Number of
meetings held

21

The Operational Committee is composed of the Director, Administration and Corporate Services; the Director, Project Financing; the Director, Business Affairs and Coproduction; and at least two members of the Management Committee who are appointed for six-month renewable terms. The committee's responsibilities are set forth in a charter. The committee assists the Executive Director with respect to the following, among other things:

- decision-making involving the application or interpretation of guidelines or policies;
- decision-making involving all matters related to the Corporation's funding programs; and
- all other matters related to the Corporation's operations and administration.

HUMAN RESOURCES COMMITTEE

Chair

Denis Pion

Members

Stéphane Odesse, Roxane Girard

Number of
meetings held

8

The Human Resources Committee is composed of two members of the Management Committee, who hold office for six-month renewable terms, as well as the Director, Administration and Corporate Services. The committee's responsibilities are set forth in a charter. The committee assists the Executive Director by supporting the Human Resources Department in matters involving HR practices and policies, including, among other things:

- development, implementation and updating of practices and policies;
- interpretation of practices and policies; and
- dealing with situations that depart from normal practice.

A representative of the Human Resources Department is invited to take part in all committee meetings.

30. Subcommittee members were in office as at March 31, 2017.

31. Replacing Sheila de la Varenne, Director, International Promotion.

RISK MANAGEMENT COMMITTEE

Chair

Carolle Brabant

Members

Francesca Accinelli, Marielle Poupelin³²,
Roxane Girard, Jean-Claude Mahé,
Stéphane Odesse, Denis Pion, Michel Pradier,
One employee from the Strategy and Research
Department, on a rotational basis

Number of
meetings held

2

The Risk Management Committee is composed of the Executive Director and all members of the Management Committee. The committee assists the Executive Director in matters related to the Corporation's overall risk management strategy.

The committee charter sets forth members' responsibilities, which include, among other duties:

- identifying and categorizing risks;
- assessing the impact of risks; and
- identifying appropriate risk mitigation measures.

The committee is also responsible for the overall implementation of the risk management process.

APPEAL COMMITTEE

Chair

Carolle Brabant

Members

Two members (members change
based on the subject of the appeal)

Number of
meetings held

0

The Appeal Committee is composed of the Executive Director and two members of the Management Committee, who are appointed for six-month renewable terms. The committee's responsibilities and operations are set forth in a charter.

The committee reviews decisions that are appealed:

- by clients, in the matter of all decisions pertaining to them; and
- by employees, in the matter of decisions made by the Human Resources Committee.

A committee member who is involved in an issue submitted to the committee for consideration must abstain from participating in any deliberation related to the issue at hand.

32. Replacing Sheila de la Varende, Director, International Promotion.

COMPENSATION AND MEETING ATTENDANCE

All members of the Management Committee are full-time employees of the Corporation. The Executive Director's compensation is set by the Privy Council Office. The salary scale for other committee members ranges from \$114,958 to \$208,917, with the average salary being \$151,900.

The following table lists the attendance of Management Committee members at various meetings:

	Management Committee 9 members 32 meetings	Operational Committee 5 members 21 meetings	Human Resources Committee 3 members 8 meetings	Risk Management Committee 9 members 2 meetings	Appeal Committee 3 members No meetings
Carolle Brabant Executive Director	32	–	2	2	–
Francesca Accinelli Director, National Promotion and Communications	27	5	4	2	–
Marielle Poupelin ³³ Acting Director, International Promotion	19	3	5	2	–
Roxane Girard Director, Business Affairs and Coproduction	25	21	4	2	–
Jean-Claude Mahé Director, Public and Governmental Affairs	29	10	–	2	–
Stéphane Odesse Director, Legal Services and Access to Information	30	9	4	2	–
Denis Pion Director, Administration and Corporate Services	30	19	8	2	–
Michel Pradier Director, Project Financing	26	17	1	2	–
Employees on rotational basis Strategy and Research Department ³⁴	30	–	–	2	–

33. Replacing Sheila de la Varenne, Director, International Promotion.

34. Cumulative attendance of employees representing the team, on a rotational basis over a three-month period.

AUDITING

The Corporation's financial statements are audited annually by the Office of the Auditor General of Canada. In addition, the FAA requires that the Auditor General conduct a special examination of the Corporation at least once every 10 years, the most recent review having been conducted in 2010. The results of this review are available on the Corporation's [website](#). The FAA also requires that Telefilm conduct internal audits. The Corporation assigns this task to an outside firm, whose reports are submitted to the Audit and Finance Committee. The following audit assignments were carried out during the fiscal year:

- Review of new processes;
- Operational security;
- Signing Charter and risk analysis criteria relating to files; and
- Review of payroll process.

PERFORMANCE EVALUATION

Performance evaluation is a key process that helps identify good performance while fostering a culture of continuous improvement. To this end, the Board members, Executive Director and all personnel are subject to an annual assessment.

- Assessment of the Board and its committees is governed by a performance assessment policy specific to the Board. This assessment process looks at, among other things, Board membership, members' knowledge, the Board's responsibilities and its workings. In addition to this evaluation, each Board committee is assessed individually.
- The Executive Director's performance assessment, which is conducted by the Nominating, Evaluation and Governance Committee and then subject to Board approval, is governed by the Privy Council Office's [Performance Management Program Guidelines – Chief Executive Officers of Crown Corporations](#). Evaluation criteria focus on assessing results in various areas of activity including, among others, policies and programs, management, stakeholder relations, leadership and corporate results.
- Performance of the Management Committee and each of its subcommittees is assessed by committee members and by the Executive Director.
- Finally, employee performance evaluations are conducted twice a year in accordance with the Corporation's Policy on Performance Evaluation. The assessment process focuses on, among other things, the achievement of set objectives for the fiscal year, expected proficiency levels, expectations pertaining to job responsibilities, and learning goals.

ORIENTATION AND TRAINING

Training is an essential part of maintaining best practices of corporate governance, and it enables Board members to perform their duties in an optimal manner. To this end, Board members are given an opportunity to participate in seminars and courses as well as in training based on the requirements of their duties and an assessment of their needs. The Corporation also expects that employee skills be developed and improved, and achieves this through a professional development training plan whose purpose is to provide employees with the skills needed to achieve the Corporation's strategic plan. To this end, a co-development program, set up in 2014-2015, enabled employees to perfect their managerial skills using real-life case studies. Having proven successful, the program was renewed for an additional year in 2015-2016 and has just been renewed for another year.

ETHICS AND INTEGRITY

Ethics and integrity are important values for Telefilm, and as such the Corporation endeavours to promote exemplary ethical practices, year after year. Telefilm's Code of Conduct, which encompasses the [Treasury Board's Values and Ethics Code for the Public Sector](#), Telefilm's Code of Values and its Policy on Conflict of Interest and Post-Employment, is binding on all employees. Respecting the Code of Conduct is a condition of employment for employees, regardless of the position they hold. The Code is available to the public at large upon request.

Each year, employees must undergo mandatory training on their obligations pertaining to ethics, information security, transparency, privacy and prevention of conflicts of interest. Following this training, all employees are assessed on their knowledge of the issues to ensure that they fully understand their obligations.

Furthermore, employees are also required to annually sign a statement declaring that they undertake to comply with the Corporation's internal policies and guidelines, notably in matters pertaining to ethical behaviour and conflict of interest.

Finally, all persons appointed by Order in Council—the Chair, Board members and the Executive Director—are subject to the *Conflict of Interest Act*.

FORMAL COMPLAINTS

Telefilm has a formal complaint process for its clients that supplements existing mechanisms included in the [Customer Service Charter for Telefilm Canada's Clients](#). During fiscal 2016-2017, one new formal complaint was filed under this procedure. Furthermore, in accordance with the [Public Servants Disclosure Protection Act](#), Telefilm employees and members of the public may disclose wrongdoing that they think has been committed, or that they believe is about to be committed, by following the process set out on the [website](#) of the Office of the Public Sector Integrity Commissioner of Canada. In this respect, no complaints or disclosures of wrongdoing were submitted during the fiscal year.

COMMUNICATION

Liaison with the Government of Canada

The Corporation uses a structure that fosters effective strategic linkage with the Department of Canadian Heritage and other federal and provincial departments and agencies. To this end, the Public and Governmental Affairs sector acts as a special liaison for all questions related to government policy.

Annual Public Meeting

In compliance with the FAA, the Corporation held its Annual Public Meeting in Vancouver in November 2016 and presented its achievements for the 2015-2016 fiscal year. The public and members of the industry and media were given the opportunity to, among other things, interact with the Chair of the Board, Michel Roy, and with the Executive Director, Carolle Brabant. Details of Telefilm's achievements are available on our [website](#), along with the Corporation's complete [annual report](#).

TRANSPARENCY AND ACCESS TO INFORMATION

At Telefilm Canada, we believe that transparency and access to information are pillars of the public's confidence and trust in our institution. Accordingly, we strive to ensure that all employees and consultants working for the Corporation are aware of and understand the importance of the right of access to information and their obligations under the *Access to Information Act*. During this fiscal year, Telefilm received seven informal access to information requests and ten formal requests.

FINANCIAL STATEMENTS FISCAL YEAR ENDED MARCH 31, 2017



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MANAGEMENT REPORT

The financial statements of Telefilm Canada (hereafter the "Corporation") are the responsibility of management and have been approved by the Board of Directors of the Corporation. These financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies are disclosed in Note 2 to the financial statements. Where appropriate, the financial statements include estimates based on the experience and judgment of management. Management is also responsible for all other information in the Annual Report and for ensuring that this information is consistent with the financial statements.

Management maintains accounting, financial, information and management control systems, together with management practices, designed to provide reasonable assurance that reliable and relevant information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that operations are carried out effectively. The internal control systems are periodically reviewed by the Corporation's internal auditors. These systems and practices are also designed to provide reasonable assurance that transactions are in accordance with Part VIII of the *Financial Administration Act*, chapter F-10 of the Revised Statutes of Canada 1970, as it read immediately before September 1, 1984, as if it had not been repealed and as if the Corporation continued to be named in Schedule C to that Act, with the relevant sections of Part X of the *Financial Administration Act*, with the *Telefilm Canada Act* and with the by-laws and policies of the Corporation.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting as stated above. The Board exercises its responsibilities through the Audit and Finance Committee, which consists of directors who are not officers of the Corporation. The Committee reviews the quarterly financial statements, as well as the annual financial statements and related reports and may make recommendations to the Board of Directors with respect to these and/or related matters. In addition, the Committee periodically meets with the Corporation's internal and external auditors, as well as with management, to review the scope of their audits and to assess their reports.

The external auditor, the Auditor General of Canada, conducts an independent audit of the financial statements, and reports to the Corporation and to the Minister of Canadian Heritage.

Montréal, Canada

June 13, 2017



Carolle Brabant, FCPA, FCA, MBA
Executive Director



Denis Pion
Director – Administration and Corporate Services

INDEPENDENT AUDITOR'S REPORT



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

To the Minister of Canadian Heritage

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Telefilm Canada, which comprise the statement of financial position as at 31 March 2017, and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Telefilm Canada as at 31 March 2017, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of Telefilm Canada that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the applicable provisions of Part X of the *Financial Administration Act* and regulations, the *Telefilm Canada Act* and the by-laws of Telefilm Canada.

Tina Swiderski, CPA auditor, CA
Principal
for the Auditor General of Canada

13 June 2017
Montréal, Canada

STATEMENT OF OPERATIONS

Year ended March 31

<i>In thousands of Canadian dollars</i>	Schedules and notes	2017 Budget	2017	2016
Assistance expenses				
Development of the Canadian audiovisual industry				
Production programs		59,342	68,075	57,744
Development program		7,625	6,483	5,831
Micro-budget production program		2,000	2,198	1,913
Contribution to the Council of Europe's cultural fund, Eurimages		–	1,088	–
Administration of recommendations for audiovisual treaty coproduction		509	455	506
Theatrical documentary program		1,000	98	1,138
		70,476	78,397	67,132
Promotional support in Canada and abroad				
Marketing program		10,780	9,980	17,408
Promotion program and national promotional activities		6,886	8,417	6,853
International promotional activities		4,202	4,062	3,847
International marketing program		1,000	679	493
Export assistance program		–	103	–
		22,868	23,241	28,601
		93,344	101,638	95,733
Operating and administrative expenses	A	25,991	24,142	24,531
Cost of operations		119,335	125,780	120,264
Revenues				
Investment revenues and recoveries		10,000	14,000	12,069
Management fees from the Canada Media Fund Talent Fund	B 4	11,461 2,165	10,984 2,572	10,044 2,740
Contributions to promotional support activities		817	1,133	776
Interest		100	114	116
		24,543	28,803	25,745
Net cost of operations before government funding		94,792	96,977	94,519
Government funding				
Parliamentary appropriation		95,454	97,454	95,454
Surplus for the year		662	477	935
Accumulated surplus, beginning of year		26,108	26,108	25,173
Accumulated surplus, end of year		26,770	26,585	26,108

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

STATEMENT OF FINANCIAL POSITION

As at March 31

<i>In thousands of Canadian dollars</i>	Notes	2017	2016
Financial assets			
Due from Consolidated Revenue Fund	6	61,709	57,150
Cash – Talent Fund	4	649	985
Accounts receivable	5 and 6	2,977	2,323
Receivable from the Canada Media Fund	7	3,262	3,303
Loan	8	240	650
		68,837	64,411
Liabilities			
Accounts payable and accrued liabilities	6	3,234	2,664
Deferred revenues – Talent Fund	4	–	2
Financial assistance program obligations	9	45,172	39,596
Liabilities for employee future benefits	10	783	756
		49,189	43,018
Net financial assets		19,648	21,393
Non-financial assets			
Tangible capital assets	11	4,662	2,350
Prepaid expenses		2,275	2,365
		6,937	4,715
Accumulated surplus		26,585	26,108

Commitments (Note 13) and contingencies (Note 14)

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

Approved by the Board:



Michel Roy
Chair

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended March 31

<i>In thousands of Canadian dollars</i>	2017 Budget	2017	2016
Surplus for the year	662	477	935
Tangible capital asset transactions			
Amortization	650	486	371
Acquisitions	(3,000)	(2,798)	(671)
Write-down of tangible capital assets	-	-	531
Other transactions			
Acquisitions of prepaid expenses	(800)	(2,275)	(2,365)
Use of prepaid expenses	780	2,365	1,893
Increase (decrease) in net financial assets	(1,708)	(1,745)	694
Net financial assets, beginning of year	21,393	21,393	20,699
Net financial assets, end of year	19,685	19,648	21,393

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

STATEMENT OF CASH FLOWS

Year ended March 31

<i>In thousands of Canadian dollars</i>	2017	2016
Operating activities		
Surplus for the year	477	935
Items not affecting cash:		
Increase (decrease) in liabilities for employee future benefits	27	(73)
Amortization of tangible capital assets	486	371
Write-down of tangible capital assets	–	531
Loan conversion	410	–
	1,400	1,764
Changes in non-cash financial items:		
Decrease (increase) in accounts receivable	(654)	1,878
Decrease in receivable from the Canada Media Fund	41	45
Increase in accounts payable and accrued liabilities	570	367
Decrease in deferred revenues – Talent Fund	(2)	(204)
Increase of financial assistance program obligations	5,576	7,280
Decrease (increase) in prepaid expenses	90	(472)
	7,021	10,658
Capital activities		
Cash outflows to acquire tangible capital assets	(2,363)	(671)
Change in accounts payable and accrued liabilities for capital projects	(435)	–
	(2,798)	(671)
Increase in due from Consolidated Revenue Fund and cash – Talent Fund	4,223	9,987
Due from Consolidated Revenue Fund and cash – Talent Fund, beginning of year	58,135	48,148
Due from Consolidated Revenue Fund and cash – Talent Fund, end of year	62,358	58,135
Additional information presented in operating activities		
Interest received	81	98

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

NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2017

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.



AUTHORITY AND ACTIVITIES

The Corporation was established in 1967 by the *Telefilm Canada Act*. The mandate of the Corporation is to foster and promote the development of the Canadian audiovisual industry. The Corporation may also act through agreements with the Department of Canadian Heritage for the provision of services or the management of programs relating to the audiovisual or sound recording industries.

The Corporation is a Crown corporation subject *inter alia* to Part VIII of the *Financial Administration Act*, chapter F-10 of the Revised Statutes of Canada 1970, as it read immediately before September 1, 1984, as if it had not been repealed and as if the Corporation continued to be named in Schedule C to that Act. The Corporation is also subject to certain provisions of Part X of the *Financial Administration Act*.

The Corporation is not subject to income tax laws.



SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards (CPSAS). The significant accounting policies followed by the Corporation are as follows:

A. MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with CPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses and revenues during the reporting period. The most significant items for which estimates are used are the allowance for bad debts, the useful life of tangible capital assets, liabilities for employee future benefits and contingencies. Actual results could differ from those estimates and such differences could be material.

B. ASSISTANCE EXPENSES

Assistance expenses represent all forms of assistance granted by the Corporation to develop the Canadian audiovisual industry and support Canadian content in Canada and abroad. They are carried out mainly through investments, forgivable advances, grants and contributions. Financial assistance granted is recognized as government transfers. The Corporation recognizes financial assistance in the statement of operations as assistance expenses in the year in which the expense is authorized and the recipient meets the eligibility criteria. The Corporation recognizes the balances it has contractually committed to disburse as financial assistance program obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Investments in productions entitle the Corporation to copyright ownership, and advances are generally carried out by awarding project development, production, and distribution and marketing assistance contracts. Certain advances are convertible into investments in lieu of repayment. When this occurs, the advance is converted into an investment through assistance expenses.

C. REVENUES

i. Investment revenues and recoveries

Investment revenues and recoveries of advances made in production represent a percentage of production revenues stipulated in agreements and contractually payable to the Corporation. Recoveries are also derived from the repayment of other forgivable advances granted whose contractual conditions have been met. These amounts are recorded on an accrual basis while bad debt losses are accounted for through assistance expenses.

ii. Management fees

Management fees represent the reimbursement of costs incurred when administering and delivering Canada Media Fund funding programs. Fees are recorded on an accrual basis.

iii. Contributions to promotional support activities

Contributions to promotional support activities are recorded on an accrual basis.

iv. Interest and other revenues

Interest and other revenues are recorded on an accrual basis.

D. GOVERNMENT FUNDING

The Corporation obtains funding through a parliamentary appropriation. As this funding is free of any stipulation limiting its use, it is recorded as government funding in the statement of operations up to the authorized amount where eligibility criteria have been met.

E. TALENT FUND

The Talent Fund (the "Fund") was created in March 2012 and its operations are an integral part of the Corporation's activities. The aim of the Fund is to support and promote Canadian works and talent through the Corporation's programs. The Fund's revenues are received from individuals and companies. These revenues are deposited into a separate bank account and recorded under Cash – Talent Fund in the statement of financial position. Revenues may or may not be subject to external restrictions with respect to language, genre and program. Revenues free from external restrictions are recognized in the statement of operations in the fiscal year during which they are received whereas revenues subject to external restrictions are recognized in the statement of operations in the fiscal year during which they are used for the stated purpose. Unused revenues subject to external restrictions are presented as deferred revenues in the statement of financial position. Under the *Telefilm Canada Act*, investment revenues and recoveries generated by projects funded by the Fund are made available to the Corporation to cover all assistance expenses.

F. DUE FROM CONSOLIDATED REVENUE FUND

Due from Consolidated Revenue Fund includes the Corporation's aggregate banking transactions, which are processed by the Receiver General for Canada.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

G. CASH - TALENT FUND

Cash - Talent Fund consists of the cash balance from revenues received. This cash is used to finance projects and activities supported by the Fund.

H. LOAN

The Corporation granted a loan to production companies. The loan is recognized at the lower of amortized cost and net recoverable amount, depending on the degree of collectibility and risk of loss. Interest income is recorded when earned, as per the effective interest method.

I. FINANCIAL INSTRUMENTS

The Corporation's financial instruments are all recorded at cost or amortized cost in the statement of financial position. Financial assets consist of assets that could be used to settle existing liabilities or fund future activities. At every year-end, the Corporation evaluates whether there is any objective evidence of impairment of financial assets or groups of financial assets. The Corporation performs an individual analysis of its financial assets to determine the allowance for bad debts. Factors taken into consideration to assess impairment are the age of the receivable, payment history and compliance with the current repayment agreement, if any. If such evidence exists, the carrying amount of the financial instrument as well as the related allowance is reduced to account for this loss in value.

The Corporation holds the following financial assets, some of which are recorded net of allowance for bad debts:

- Cash - Talent Fund;
- Accounts receivable, other than taxes to be recovered;
- Receivable from the Canada Media Fund;
- Loan.

Financial liabilities consist of:

- Accounts payable and accrued liabilities;
- Deferred revenues - Talent Fund;
- Financial assistance program obligations.

J. LIABILITIES FOR EMPLOYEE FUTURE BENEFITS

i. Pension plan

Eligible employees of the Corporation benefit from the Public Service Pension Plan, a contributory-defined benefit plan constituted under an act and sponsored by the Government of Canada. Contributions to the plan are made by both employees and the Corporation. This pension plan provides benefits based on years of service, up to a maximum of 35 years and at an annual rate of 2% per year of pensionable service times the average earnings of the best five consecutive years. The benefits are coordinated with the Canada Pension Plan and Quebec Pension Plan benefits and are indexed to inflation. Employer contributions are based on the Public Service Pension Plan and reflect the full cost for the Corporation. This amount is based on a multiple of employee contributions and may change over time depending on the Plan's financial position. The Corporation's contributions are recognized during the year in which the services are rendered and represent its total pension benefit obligation. The Corporation is not required to make contributions in respect of any actuarial deficiencies of the Public Service Pension Plan.

Fiscal year ended March 31, 2017
 The amounts shown in the accompanying tables to the financial statements
 are expressed in thousands of Canadian dollars unless otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

ii. Severance benefits

Eligible employees were entitled to severance benefits as stipulated in their conditions of employment and the cost of these benefits was recognized in the statement of operations in the year in which they were earned. The severance benefit obligation was calculated based on management's assumptions and best estimates of future salary changes, employee age, years of service and the probability of departure due to resignation or retirement. Following the Treasury Board Secretariat's request, in September 2013 the Corporation decided to terminate these benefits. Since March 31, 2014, severance benefits are no longer accumulated and have been paid to most employees. The obligation is adjusted at fiscal year-end to reflect the current salary of employees who have decided to defer payment to the time of employment termination or retirement.

iii. Sick leave

Employees are entitled to sick leave as stipulated in their conditions of employment. Unused sick leave accrues but cannot be converted into cash. The cost of sick leave is recognized in the statement of operations in the year it is earned. The obligation is calculated on a present value basis using assumptions based on management's best estimates of the probability of use of accrued sick leave, future salary changes, employee age, the probability of departure, retirement age and the discount rate. These assumptions are reviewed annually.

iv. Parental leave

Employees are entitled to parental leave as stipulated in their conditions of employment. The Corporation tops up employees' employment insurance benefits up to a set percentage of their gross salary. The Corporation recognizes a liability for the entire duration of the parental leave at the time employees submit an application and sign the agreement as stipulated by their conditions of employment.

K. TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their respective useful lives using the following rates or periods:

Assets	Rates/periods
Leasehold improvements	Terms of the leases
Technological equipment	20%
Furniture	10%
Software	Between 10% and 25%

Tangible capital assets related to work in progress are not subject to amortization. When work in progress is completed, the tangible capital asset portion is reclassified to the appropriate line item of tangible capital assets and is amortized in accordance with the Corporation's policy.

Fiscal year ended March 31, 2017
The amounts shown in the accompanying tables to the financial statements
are expressed in thousands of Canadian dollars unless otherwise indicated.



CHANGES IN STANDARDS

In March 2015, the Public Sector Accounting Standards Board (PSAB) issued two sections, Section PS 2200, *Related Party Disclosures*, and Section PS 3420, *Inter-entity transactions*. Section PS 2200 specifies the definition and identification criteria for a related party, the circumstances under which information on transactions with related parties must be disclosed and disclosure requirements. Section PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. These two new standards became effective for annual periods beginning on or after April 1, 2017. The Corporation does not expect the adoption of these standards to have a significant impact on its financial statements.

Lastly, in June 2015 the PSAB published Section PS 3380, *Contractual Rights*, which defines the information to be disclosed as a note to the financial statements concerning agreements that will result in assets or revenues in the future. The standard became effective for annual periods beginning on or after April 1, 2017. The Corporation does not expect the adoption of this standard to have a significant impact on its financial statements.

Fiscal year ended March 31, 2017

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.



TALENT FUND

The transactions specific to the Talent Fund are shown in the tables below:

	Other donors	Bell Media	Corus Entertainment	Total 2017	Total 2016
REVENUES					
Donations	416	–	–	416	360
Contributions received	–	1,357	808	2,165	2,165
Contributions receivable	–	(11)	–	(11)	11
Deferred revenues	–	–	2	2	204
	416	1,346	810	2,572	2,740
ASSISTANCE EXPENSES					
Production programs	–	77	139	216	510
Micro-budget production program	70	702	457	1,229	1,454
Marketing program	–	–	–	–	70
Promotion program and national promotional activities	3	567	6	576	489
International promotional activities	–	–	208	208	454
	73	1,346	810	2,229	2,977
Surplus (deficit) for the year	343	–	–	343	(237)
Accumulated surplus (deficit), beginning of year	(101)	–	–	(101)	136
Accumulated surplus (deficit), end of year	242	–	–	242	(101)

Fiscal year ended March 31, 2017
 The amounts shown in the accompanying tables to the financial statements
 are expressed in thousands of Canadian dollars unless otherwise indicated.

4. TALENT FUND (CONT.)

For fiscal year ended March 31st, 2017, the Corporation incurred \$248,500 in expenses related to business development and promotion of the Fund (\$194,800 for the previous fiscal year). The contributions of Bell Media and Corus Entertainment are subject to external restrictions.

	Other donors	Bell Media	Corus Entertainment	Total 2017	Total 2016
DEFERRED REVENUES					
Balance, beginning of year	-	-	2	2	206
Contributions received	-	1,357	808	2,165	2,165
Contractual commitments recognized in revenues	-	(1,357)	(810)	(2,167)	(2,369)
Balance, end of year	-	-	-	-	2
CASH - TALENT FUND					
Balance, beginning of year	37	357	591	985	552
Receipts	391	1,357	808	2,556	2,525
Contractual payments under financial assistance programs	(198)	(1,391)	(1,303)	(2,892)	(2,092)
Balance, end of year	230	323	96	649	985

As at March 31, 2017, the Talent Fund is contractually committed to pay a total amount of \$432,300 (\$1,114,600 for the previous fiscal year).



ACCOUNTS RECEIVABLE

	March 31, 2017	March 31, 2016
Accounts receivable related to investment revenues and recoveries	886	1,164
Taxes to be recovered	1,256	319
Other accounts receivable	835	840
	2,977	2,323

Fiscal year ended March 31, 2017
 The amounts shown in the accompanying tables to the financial statements
 are expressed in thousands of Canadian dollars unless otherwise indicated.



RESTRICTED ASSETS AND LIABILITIES – CANADA NEW MEDIA FUND

Under contribution agreements with the Department of Canadian Heritage applicable to fiscal 2007-2008 and thereafter, all future receipts from projects previously funded via the Canada New Media Fund are to be returned to the Receiver General for Canada. The last related agreement with the Department of Canadian Heritage expired on March 31, 2010. These assets and liabilities are therefore subject to an external restriction.

	March 31, 2017	March 31, 2016
Due from Consolidated Revenue Fund	–	2
Accounts receivable	62	167
Accounts payable and accrued liabilities	62	169



RECEIVABLE FROM THE CANADA MEDIA FUND

The Corporation administers the Canada Media Fund funding programs and as such, charges the Fund management fees. Further, as part of their respective mandates, the two organizations carry out certain promotional activities in collaboration.

	March 31, 2017	March 31, 2016
Management fees receivable	3,212	3,216
Other amounts receivable	50	87
	3,262	3,303

Fiscal year ended March 31, 2017
 The amounts shown in the accompanying tables to the financial statements
 are expressed in thousands of Canadian dollars unless otherwise indicated.



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LOAN

During the fiscal year, the Corporation decided to amend the loan agreement entered at an initial value of \$650,000 where an amount of \$409,600 was converted into a contribution. This contribution was recorded under assistance expenses. The loan bears interest at the Royal Bank of Canada's prime rate plus 2.00%, computed on a daily basis. It is repayable based on the amounts to which the borrowers are entitled on future audiovisual productions. Repayment of interest is quarterly and will begin in August 2017. The loan has no guarantees and early repayment is possible at any time, without benefit or penalty. As at March 31, 2017, the loan's principal amount was at \$240,400.



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FINANCIAL ASSISTANCE PROGRAM OBLIGATIONS

The Corporation is contractually committed to disburse sums under its financial assistance programs. The following table presents the expected payments in future years:

	2018	2019	2020	Total March 31, 2017	Total March 31, 2016
Contracts signed in fiscal:					
2013 and prior years	587	–	–	587	1,432
2014	615	125	–	740	2,487
2015	1,064	–	–	1,064	4,560
2016	7,232	195	–	7,427	31,117
2017	33,353	1,926	75	35,354	–
	42,851	2,246	75	45,172	39,596

Fiscal year ended March 31, 2017
 The amounts shown in the accompanying tables to the financial statements
 are expressed in thousands of Canadian dollars unless otherwise indicated.



LIABILITIES FOR EMPLOYEE FUTURE BENEFITS

	Severance benefits	Sick leave	Parental leave	Total
Balance as at March 31, 2015	184	548	97	829
Cost for services rendered during the year	3	118	68	189
Benefits paid during the year	(57)	(86)	(119)	(262)
Balance as at March 31, 2016	130	580	46	756
Cost for services rendered during the year	4	76	94	174
Benefits paid during the year	–	(92)	(55)	(147)
Balance as at March 31, 2017	134	564	85	783

10. LIABILITIES FOR EMPLOYEE FUTURE BENEFITS (CONT.)

A. SEVERANCE BENEFITS OBLIGATION

The Corporation provided severance benefits to its eligible employees based on the nature of the departure, years of service and final salary at end of employment. This plan had no assets and a deficit equal to the accrued benefit obligation. These benefits ceased to accumulate as of March 31, 2014 as a result of the Corporation's decision to terminate these benefits. During the year, the obligation was adjusted to reflect the current salary of employees who have decided to defer payment to the time of employment termination or retirement. The benefits will be paid from future parliamentary appropriations.

B. SICK LEAVE OBLIGATION

The Corporation provides employees with sick leave benefits based on their salary and the sick leave entitlements they accrue over their years of service. Employees can carry entitlements forward but not convert them into cash. This plan has no assets and a deficit equal to the accrued benefit obligation.

To calculate the sick leave obligation, the Corporation uses an average daily salary of \$295 (\$297 in 2016), a 2.60% rate of salary increase (2.80% in 2016), a 3.00 % annual average utilization rate (3.00% in 2016), a 1.80% discount rate (1.50% in 2016) and a 10.00% departure rate (10.00% in 2016). Benefits will be paid from future parliamentary appropriations and other funding sources.

C. PARENTAL LEAVE OBLIGATION

The Corporation tops up gross employment insurance benefits to 93.00% of the employee's gross salary. Benefits will be paid from future parliamentary appropriations.

D. PENSION PLAN

The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of employees' required contributions. The required employer contribution rate for 2017 is based on employees' start date. For start dates before January 1, 2013, the Corporation's contribution rate is 1.15 times the required employee contribution rate (1.28 times in 2016); for start dates after December 31, 2012, the Corporation's contribution rate is of 1.11 times the required employee contribution rate (1.28 times in 2016). Total contributions of \$1,625,300 are recognized as an expense in 2017 in salaries and employee benefits (2016 - \$1,797,000).

Fiscal year ended March 31, 2017
 The amounts shown in the accompanying tables to the financial statements
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TANGIBLE CAPITAL ASSETS

	Leasehold improvements	Technological equipment and furniture	Software	Work in progress	Total
COST					
Balance as at March 31, 2015	4,764	1,104	15,202	1,274	22,344
Acquisitions	-	-	283	388	671
Write-down	-	-	-	(531)	(531)
Transfers	-	-	668	(668)	-
Balance as at March 31, 2016	4,764	1,104	16,153	463	22,484
Acquisitions	-	-	1,251	1,547	2,798
Disposals	-	(12)	(20)	-	(32)
Transfers	-	-	428	(428)	-
Balance as at March 31, 2017	4,764	1,092	17,812	1,582	25,250
ACCUMULATED AMORTIZATION					
Balance as at March 31, 2015	(4,140)	(888)	(14,735)	-	(19,763)
Amortization	(71)	(81)	(219)	-	(371)
Disposals	-	-	-	-	-
Balance as at March 31, 2016	(4,211)	(969)	(14,954)	-	(20,134)
Amortization	(70)	(79)	(337)	-	(486)
Disposals	-	12	20	-	32
Balance as at March 31, 2017	(4,281)	(1,036)	(15,271)	-	(20,588)
Net carrying amount as at March 31, 2016	553	135	1,199	463	2,350
Net carrying amount as at March 31, 2017	483	56	2,541	1,582	4,662

During the fiscal year, the Corporation carried out a write-off on fully depreciated software and furniture in the amount of \$32,000 (write-down on work in progress for software of \$531,000 in 2016).

Fiscal year ended March 31, 2017
The amounts shown in the accompanying tables to the financial statements
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FINANCIAL INSTRUMENTS

A. FAIR VALUE

Cash - Talent Fund, accounts receivable other than taxes to be recovered, receivable from the Canada Media Fund, loan, accounts payable and accrued liabilities, deferred revenues - Talent Fund and financial assistance program obligations are in the normal course of the Corporation's operations.

These financial instruments are measured at cost or amortized cost. Given that the Corporation holds no derivatives or equity instruments, no fair value measurement is required. Accordingly, the Corporation has not prepared a statement of remeasurement gains and losses.

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The Corporation is exposed to various financial risks arising from its operations. Management of financial risks is overseen by the Corporation's management. The Corporation does not enter into financial instrument contracts, such as derivatives, for speculative purposes.

i. Interest rate risk

Interest rate risk is defined as the Corporation's exposure to a loss in interest revenue or an impairment loss on financial instruments resulting from a change in interest rate. As substantially all the Corporation's financial instruments are short term, any change in interest rate would not have a material impact on the Corporation's financial statements. The Corporation's interest rate risk exposure is not significant.

ii. Liquidity risk

The Corporation is exposed to liquidity risk as a result of its financial liabilities: accounts payable and accrued liabilities, deferred revenues - Talent Fund and financial assistance program obligations (Note 9). The following table shows the contractual maturities of accounts payable and accrued liabilities:

	March 31, 2017	March 31, 2016
1-30 days	2,962	2,412
31-90 days	-	-
91 days to 1 year	272	252
Total carrying amount and contractual cash flows	3,234	2,664

The Corporation believes that current and future cash flows from operations and access to additional cash from parliamentary appropriations will be adequate to meet its obligations. Under the oversight of senior management, the Corporation manages its cash resources based on expected cash flow.

iii. Credit risk

The financial instruments that could expose the Corporation to a credit concentration risk consist mainly of accounts receivable other than taxes to be recovered, receivable from the Canada Media Fund and the loan.

Fiscal year ended March 31, 2017
 The amounts shown in the accompanying tables to the financial statements
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12. FINANCIAL INSTRUMENTS (CONT.)

ACCOUNTS RECEIVABLE

There is no concentration of accounts receivable from any client in particular, due to the nature of the client base and its geographic coverage. The Corporation is therefore protected against credit risk concentration. As at March 31, 2017, the maximum credit risk exposure to accounts receivable other than taxes to be recovered is equal to their carrying amount. The Corporation holds no security in respect of its claims. Accounts receivable, other than taxes to be recovered, by maturity and the related allowance for bad debts are detailed as follows:

	March 31, 2017	March 31, 2016
Current – 30 days	981	1,064
31 – 90 days	291	137
91 days and over	1,049	1,720
Gross accounts receivable	2,321	2,921
Allowance for bad debts		
Balance, beginning of year	603	533
Bad debt expense	22	89
Debts written off and collections	(25)	(19)
Balance, end of year	600	603
Net accounts receivable	1,721	2,318

RECEIVABLE FROM THE CANADA MEDIA FUND

The Receivable from the Canada Media Fund does not give rise to credit risk exposure given that the funds are to be recovered from a granting agency under the jurisdiction of the Department of Canadian Heritage. Management fees are invoiced on a quarterly basis and the amount is payable 30 days following the invoice date.

LOAN

There is no reason to believe that the loan presents any particular credit risk as the Corporation deems the fulfillment of conditional repayment clauses probable.

Fiscal year ended March 31, 2017
The amounts shown in the accompanying tables to the financial statements
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COMMITMENTS

The Corporation has entered into long-term leases for the rental of office space and equipments and for access to the cloud platform for its operations. Future payments amount to \$13,048,000 (\$14,135,000 in 2016) and are payable as follows:

	Total
2018	1,265
2019	2,130
2020	2,069
2021	1,851
2022 and thereafter	5,733
	13,048

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CONTINGENCIES

Various lawsuits have been brought against the Corporation in the normal course of operations. Management estimates that the final outcome of these lawsuits should not have a significant impact on the financial statements. Accordingly, no provision has been recognized in the Corporation's accounts.

Fiscal year ended March 31, 2017
The amounts shown in the accompanying tables to the financial statements
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RELATED PARTY TRANSACTIONS

Through common ownership, the Corporation is related to all Government of Canada created departments, agencies and Crown corporations. The Corporation's transactions with these entities are in the normal course of operations and are measured at the exchange amount.

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COMPARATIVE FIGURES

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

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BUDGET INFORMATION

Budget figures have been provided for comparison purposes and were approved by the Board of Directors. Certain amounts have been reclassified to conform to the 2016-2017 presentation.

Fiscal year ended March 31, 2017
The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

SCHEDULES A AND B

OTHER INFORMATION

A. OPERATING AND ADMINISTRATIVE EXPENSES

	2017 Budget	2017	2016
Salaries and employee benefits	18,660	16,659	17,464
Professional services	1,770	1,873	1,589
Rent, taxes, heating and electricity	1,819	1,798	1,725
Information technology	1,660	1,669	1,510
Travel and hospitality	578	694	491
Office expenses	595	689	639
Amortization and write-down of tangible capital assets	650	486	902
Advertising and publications	259	274	211
	25,991	24,142	24,531

B. COSTS OF CANADA MEDIA FUND PROGRAMS

Eligible costs for management fees are defined in the services agreement with the Canada Media Fund. During the fiscal year, the Corporation invoiced a total amount of \$10,983,887 (\$10,044,045 in 2016) for the administration of Canada Media Fund programs, including \$2,779,532 (\$2,734,620 in 2016) for the departments in support of operations.

	2017 Budget	2017	2016
Salaries and employee benefits			
Management, administration and delivery	6,024	5,786	5,629
Shared services departments	1,089	830	1,091
Departments in support of operations	2,780	2,947	2,893
Other costs	1,568	1,588	589
	11,461	11,151	10,202

Fiscal year ended March 31, 2017
The amounts shown in the accompanying tables to the financial statements
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SCHEDULES A AND B (CONT.)

B. COSTS OF CANADA MEDIA FUND PROGRAMS (CONT.)

MANAGEMENT, ADMINISTRATION AND PROGRAM DELIVERY AND SHARED SERVICES DEPARTMENTS

Fees for management, administration and program delivery consist of salary costs attributable to fund managers, operational support administrative employees and employees specialized in program delivery activities. Costs of shared services departments arise from salaries and employee benefits relating to departments servicing all programs, namely Finance, and Information, Performance and Risk, and acquisition costs of certain tangible capital assets.

DEPARTMENTS IN SUPPORT OF OPERATIONS

These costs consist of costs incurred to support all employees assigned to management, administration and program delivery, as well as employees providing shared services. They consist of costs relating to human resources, information technology and material resources departments. These costs mainly comprise salaries, professional services, rent and information technology costs. These costs do not include tangible capital asset amortization expense.

OTHER COSTS

Other costs arise from operating costs, other than salaries and amortization, generated by management, administration and program delivery, as well as shared services departments and acquisition costs of certain tangible capital assets.

ADDITIONAL INFORMATION



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FILMS FUNDED THROUGH THE PRODUCTION PROGRAMS



DIRECTORS WITH 2 FILMS OR FEWER

- All you can eat Bouddha
- Angelique's Isle
- Anthem of a Reluctant Prophet
- Becoming Burlesque
- Belle et Sébastien (Coprod. France)
- Birthmarked (Coprod. Ireland)
- Brotherhood
- Brown Girl Begins
- Chien de garde
- Clara
- Dead Shack
- Gear
- Great Great Great
- Happy Face
- Hopeless (Romantic)
- Indian Horse
- Into Invisible Light
- La chute de Sparte
- La course des tuques / Snowtime! 2
- La petite école d'Hélène (Coprod. France)
- Maudite poutine
- Nous sommes les autres
- Octavio Is Dead!
- Ordinary Days
- Origami
- Our House (Coprod. Germany)
- Ozzy (Coprod. Spain)
- Paper Year
- Prank
- Public-Schooled
- Pyewacket
- Riverhead
- Room For Rent
- Someone Else's Wedding
- Sorry for Your Loss
- Stegman Is Dead
- The Grizzlies
- The New Romantic
- The Twentieth Century
- A Worthy Companion³⁵
- Born To Be Blue (Coprod. UK)³⁵
- Don't Talk to Irene³⁵
- Goon: Last of the Enforcers³⁵
- Juggernaut³⁵
- Mean Dreams³⁵
- Milton's Secret³⁵
- Never Steady, Never Still³⁵
- Sadie's Last Day on Earth³⁵
- The Breadwinner (Coprod. Ireland-Luxembourg)³⁵



DIRECTORS WITH 3 FILMS OR MORE

- An Audience of Chairs
- Bon Cop Bad Cop 2
- Ceux qui font les révolutions à moitié n'ont fait que se creuser un tombeau
- De l'amour pour Noël
- De père en flic 2
- Et au pire on se mariera (Coprod. Switzerland)
- Hana's Suitcase
- Hochelaga, Terre des âmes
- Junior majeur
- Keely and Du
- La Bolduc
- La petite fille qui aimait trop les allumettes
- Le fils de Jean (Coprod. France)
- Les affamés
- Les rois mongols
- Little Italy
- Meditation Park
- Mr. Roach
- Never Saw It Coming
- Out Late
- Porcupine Lake
- Pour vivre ici
- Prodigals
- Restless River
- Song of Granite (Coprod. Ireland)
- Stockholm
- Supergrid
- The Death and Life of John F. Donovan (Coprod. UK)
- The Last Letter From Your Lover
- The Man Who Invented Christmas (Coprod. Ireland)
- The Padre (Coprod. Ireland)
- Through Black Spruce
- Trench 11
- Un sac de billes (Coprod. France)
- Halloween Party³⁵
- Two Lovers and a Bear³⁵
- Wait Till Helen Comes³⁵
- Weirdos³⁵
- Window Horses³⁵

35. Projects also funded in a previous fiscal year

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FILMS FUNDED THROUGH THE MICRO-BUDGET PRODUCTION PROGRAM



DIRECTORS WITH 2 FILMS OR FEWER

- 3.0
- Abigaëlle et le date coaching
- Black Cop
- Breaking Ice: The Arctic Uncovered
- Final Cut
- Firecrackers
- Geek Girls
- Hier encore
- In Plainview
- Indian Road Trip
- Les faux tatouages
- Les scènes fortuites
- Lovely Witches Club
- Luk'Luk'l
- Mary Goes Round
- Talent
- The Capital
- The Road Behind

FILM FUNDED THROUGH THE THEATRICAL DOCUMENTARY PROGRAM

- Mouvements – Louise Lecavalier

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FILMS FUNDED THROUGH THE MARKETING PROGRAM

- 1:54
- 9 Le film
- À la poursuite de la paix
- All Governments Lie: Truth, Deception and the Spirit of I.F. Stone
- Away From Everywhere
- Ballerina
- Below Her Mouth
- Birdland
- Ça sent la coupe
- C'est le cœur qui meurt en dernier
- Chokeslam
- Closet Monster
- Combat au bout de la nuit
- Considering Love and Other Magic
- Darken
- Destroyer
- Edge of Winter
- Embrasse-moi comme tu m'aimes
- Fire Song
- HEVN (Revenge)
- Hibou
- How To Plan an Orgy in a Small Town
- I Am the Blues
- Into the Forest
- Iqaluit
- Jean of the Joneses
- Juste la fin du monde
- King Dave
- Koneline: Our Land Beautiful
- La chasse au collet
- La nouvelle vie de Paul Sneijder
- L'ADN du ceviche
- Lavender
- Le fils de Jean
- Le goût d'un pays
- Le jardinier / The Gardener
- Le pacte des anges
- L'érotisme et le vieil âge
- L'origine des espèces
- Louise en hiver
- Maliglutit (Searchers)
- Maudie
- Maudite poutine
- Mean Dreams
- Milton's Secret
- Mon ami Dino
- Mostly Sunny
- Natasha
- Nelly
- Nitro Rush
- O, Brazen Age
- Parfaites
- Pays
- Père fils thérapie !
- Perfume War
- Prank
- River
- Sadie's Last Day on Earth
- Sleeping Giant
- Stegman Is Dead
- Tempest Storm
- The 9th Life of Louis Drax
- The Colossal Failure of the Modern Relationship
- The Cyclotron
- The Dark Stranger
- The Devout
- The Girl King
- The Northlander
- The Other Half
- The Rainbow Kid
- The Saver
- The Second Time Around
- The Skyjacker's Tale
- The Stairs
- The Steps
- The Waiting Room
- Todd & The Book of Pure Evil: The End of the End
- Two Lovers and a Bear
- Unless
- Vortex
- Votez Bougon
- Weirdos
- When the Universe Sings: The Spiritual Journey of Lawren Harris
- Window Horses
- Zoom
- Born To Be Blue³⁶
- Race³⁶

36. Projects also funded in a previous fiscal year

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CANADIAN FILM FESTIVALS FUNDED THROUGH THE PROMOTION PROGRAM

- Atlantic Film Festival
- Available Light Film Festival
- Buffer Festival
- Calgary International Film Festival
- Canadian Film Fest
- CaribbeanTales International Film Festival
- Carrousel international du film de Rimouski
- Charlottetown Film Festival
- Cinéfest Sudbury International Film Festival
- Cinéfranco – Francophone International Film Festival
- Cinémental
- Devour! The Food Film Fest
- DOXA Documentary Film Festival
- Edmonton International Film Festival
- Emerging Lens Independent Cultural Film Festival
- FAVA Fest
- Female Eye Film Festival
- Festival Cinéma International Abitibi-Témiscamingue Rouyn-Noranda
- Festival de cinéma de la ville de Québec
- Festival du film de l'Outaouais
- Festival du nouveau cinéma de Montréal
- Festival international de cinéma Vues d'Afrique
- Festival international de films Fantasia
- Festival international du cinéma francophone en Acadie
- Festival International du Film Black de Montréal
- Festival international du film pour enfants de Montréal
- Festival international du film sur l'art
- Freeze Frame: International Film Festival for Kids of All Ages
- Gimli Film Festival
- Gimme Some Truth
- Halifax Independent Film Festival
- Hot Docs – Canadian International Documentary Festival
- Images Festival
- imagineNATIVE Film + Media Arts Festival
- Kingston Canadian Film Festival
- Les sommets du cinéma d'animation
- NORTHWESTFEST
- Open Roof Festival
- Ottawa International Animation Festival
- Percéides – Festival international de cinéma et d'art de Percé
- Planet in Focus : International Environmental Film Festival
- POP Montreal
- Présence Autochtone Montréal
- Reel 2 Real International Film Festival for Youth
- ReelWorld Film Festival
- Regard – Festival international du court métrage au Saguenay
- Rencontres internationales du documentaire de Montréal
- Rendez-vous du cinéma québécois et francophone de Vancouver
- Silver Wave Film Festival
- St. John's International Women's Film Festival
- T.O. Webfest
- The Yellowknife International Film Festival
- Toronto International Film Festival
- Toronto Reel Asian International Film Festival
- Vancouver International Film Festival
- Vancouver Web Fest
- Victoria Film Festival
- Whistler Film Festival
- Yorkton Film Festival

FILM FUNDED THROUGH EXPORT ASSISTANCE PROGRAM

- 1:54
- Guibord s'en va-t-en guerre
- Les mauvaises herbes

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CANADIAN INDUSTRY PRESENT AT INTERNATIONAL FILM FESTIVALS, MARKETS AND EVENTS

- Academy Awards
- An Evening with Canada's Stars
- Beijing International Film Festival
- Berlinale / European Film Market
- Busan International Film Festival
- Cinéma du Québec à Paris
- Clermont-Ferrand International Short Film festival
- Festival de Cannes
- Festival du film international de Venise
- Festival International de Programmes Audiovisuels (FIPA)
- Festival international du film d'animation d'Annecy and its market (MIFA)
- Festival international du film francophone de Namur
- Game Developers Conference
- Hong Kong International Film & TV Market (FILMART)
- Independent Filmmaker Project (IFP)
- International Film Festival Rotterdam
- Karlovy Vary International Film Festival
- Kidscreen Summit
- Locarno International Film Festival
- Los Cabos International Film Festival
- Miami International Film Festival
- MIPCOM
- MIPTV
- MyFrenchFilmFestival.com
- Palm Springs International Film Festival
- San Sebastian International Film Festival
- See the North UK
- See the North US
- Shanghai International Film Festival
- Sundance Film Festival
- Sunny Side of the Doc
- Toronto International Film Festival

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FILMS FUNDED THROUGH THE INTERNATIONAL MARKETING PROGRAM

- 5 Films About Technology
- A Sunday Kind of Love
- All Governments Lie: Truth, Deception and the Spirit of I.F. Stone
- Below Her Mouth
- Borealis
- Born To Be Blue
- Break the Fall
- Calorie
- Ceux qui font les révolutions à moitié, n'ont fait que se creuser un tombeau
- Combat au bout de la nuit
- Dim the Fluorescents
- Geek Girls
- Goon: Last of the Enforcers
- Grand Unified Theory
- John's Bicycle
- Juste la fin du monde
- Lavender
- Le fils de Jean
- Le pacte des anges
- League of Exotique Dancers
- Les démons
- Les mauvaises herbes
- Let There Be Light
- Living With Giants
- Lovesick
- Maudie
- Maudite poutine
- Mean Dreams
- Mes nuits feront écho
- My Fathers Tools / Les outils de mon père
- Nitro Rush
- Numb
- Oh What a Wonderful Feeling
- One Night on Panther Mountain
- Passover
- Prank
- Rise
- Rumble: The Indians Who Rocked The World
- Sadie's Last Day on Earth
- Snowtime! / La Guerre des tuques 3D
- The Ash
- The Catch
- The Competition
- The Illegal
- The People Garden
- The Ridge Line
- The Sabbatical
- The Second Time Around
- The Space Between
- The Stairs
- The Sun at Midnight
- The Void
- The Waiting Room
- Theater of Life
- Tokyo Idols
- Turbo Kid
- Two Lovers and a Bear
- Weirdos
- We're Still Together
- Werewolf
- Wexford Plaza
- X Quinientos
- Y'est où le paradis ?

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