



INDIGENOUS SCREEN OFFICE

FINANCIAL STATEMENTS

MARCH 31, 2022

INDIGENOUS SCREEN OFFICE

MARCH 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Indigenous Screen Office:

Opinion

We have audited the accompanying financial statements of Indigenous Screen Office, which comprises the statement of financial position as at March 31, 2022 and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Indigenous Screen Office, which comprises the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements in accordance with the Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with the governance are responsible for overseeing the Entity's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Loftus Allen & Co
Professional Corporation*

Toronto, Ontario
June 29, 2022

Chartered Professional Accountants,
authorized to practice public accounting by
Chartered Professional Accountants of Ontario

INDIGENOUS SCREEN OFFICE

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022 (with comparative figures for 2021)


	2022	2021
ASSETS <small>Type text here</small>		
CURRENT ASSETS		
Cash	\$ 954,199	\$ 355,461
Funding receivable	75,000	-
HST recoverable	38,689	27,793
Prepaid expenses	7,609	4,666
	\$1,075,497	\$ 387,920
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 38,509	\$ 14,654
Funding payable	667,650	85,000
Deferred revenue, <i>note 5</i>	136,000	200,000
	842,159	299,654
NET ASSETS		
UNRESTRICTED	233,338	88,266
	\$1,075,497	\$ 387,920

APPROVED ON BEHALF OF THE BOARD:



Jean La Rose, Board Chairman

 Director



Tom Darnay, Board Treasurer

 Director

The attached notes are an integral part
of these financial statements

INDIGENOUS SCREEN OFFICE

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2022 *(with comparative figures for 2021)*

	2022	2021
BALANCE , beginning of year	\$ 88,266	\$ (8,963)
EXCESS OF REVENUE OVER EXPENSES	145,072	97,229
BALANCE , end of year	\$ 233,338	\$ 88,266

The attached notes are an integral part
of these financial statements

INDIGENOUS SCREEN OFFICE

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2022 *(with comparative figures for 2021)*

	2022	2021
REVENUE		
Federal funding	\$13,060,000	\$ 5,560,000
Provincial funding	-	154,000
Private sector funding	1,186,800	2,801,199
	14,246,800	8,515,199
FUNDING DISBURSEMENTS & PROGRAMS		
Story fund	10,507,000	-
Sector development	1,604,975	54,767
Netflix apprentice & mentorship	450,000	720,000
Other programs	180,000	-
COVID funding for Indigenous Creators	-	4,766,475
Solidarity fund	-	2,152,400
Partnership expenses	38,752	135,655
Program expenses	35,224	33,996
	12,815,951	7,863,293
ADMINISTRATION EXPENSES		
Salaries, fees and honoraria	897,240	476,229
Consulting	230,592	1,878
Communications, promotion and marketing	62,139	43,156
Professional fees	50,318	19,569
Meetings and events	25,888	-
Office and general	19,600	13,845
	1,285,777	554,677
	14,101,728	8,417,970
EXCESS OF REVENUE OVER EXPENSES	\$ 145,072	\$ 97,229

The attached notes are an integral part
of these financial statements

INDIGENOUS SCREEN OFFICE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022 *(with comparative figures for 2021)*

	2022	2021
CASH FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 145,072	\$ 97,229
CHANGES IN NON-CASH WORKING CAPITAL		
(Increase) decrease in funding receivable	(75,000)	125,000
(Increase) in prepaid expenses	(2,943)	(4,666)
(Increase) in HST recoverable	(10,896)	(27,793)
Increase in accounts payable and accrued liabilities	23,855	92,420
Increase in funding payable	582,650	-
Decrease in deferred revenue	(64,000)	(150,000)
INCREASE IN CASH	598,738	132,190
CASH, beginning of year	355,461	223,271
CASH, end of year	\$ 954,199	\$ 355,461

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of these financial statements

INDIGENOUS SCREEN OFFICE

SCHEDULE OF CANADIAN HERITAGE ANNUAL FUNDING FOR THE YEAR ENDED MARCH 31, 2022

	Actual 2022	Budget 2022	Variance over (under) Budget
REVENUE			
Government of Canada - Canadian Heritage	\$13,000,000	\$13,000,000	\$ -
EXPENSES			
Program Commitments - Story Fund	10,507,000	10,327,000	180,000
Sector development	1,384,000	1,384,000	-
Salaries, fees and benefits	896,806	1,048,000	(151,194)
Consultants	68,610	64,300	4,310
Administration - eligible operational	56,341	61,700	(5,359)
Administration - operating costs	25,104	58,000	(32,896)
Administration - Communications	62,139	57,000	5,139
	13,000,000	13,000,000	-
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -

The attached notes are an integral part
of these financial statements

INDIGENOUS SCREEN OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. NATURE OF ORGANIZATION

The Indigenous Screen Office ("The Organization") was incorporated on November 7, 2019 without share capital under the laws of the Canada Not-for-profit Corporations Act. The Organization is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act (Canada).

The Organization champions Indigenous screen-based storytellers and narrative sovereignty in Canada through their funding and advocacy work.

They support Indigenous companies, communities and individuals to share their diverse stories and perspectives across all screen platforms

2. SIGNIFICANT ACCOUNTING POLICIES

General

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Revenues and expenditures arising from activities are recorded in the fiscal year in which the activity takes place. Grants received in the year for expenses to be incurred in the following year are recorded as deferred revenue.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Donated services are recognized as revenue at estimated fair value, and recognized as expenses when service is utilized.

Contributed Services

Volunteers contribute many hours per year to assist the Organization in carrying out its mission. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

INDIGENOUS SCREEN OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

3. ECONOMIC DEPENDENCE

The Organization received more than 90% of its revenue from the Canadian Heritage (CH). The Organization is economically dependent on CH and would not exist without CH's continued support.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Liabilities

Pursuant to Canadian accounting standards for not-for-profit organizations, financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities.

The carrying values of the Organization's financial instruments are as follows:

	2022	2021
Held for trading (1)	\$ 954,199	\$ 355,461
Loans and receivables (2)	113,689	27,793
Other financial liabilities (3)	842,159	299,654

(1) Includes cash in bank

(2) Includes grant receivable and HST recoverable

(3) Includes bank indebtedness, accounts payable and accrued liabilities, funding payable, and deferred revenue

Fair Values

The Organization has determined, using considerable judgment, the estimated fair values of its financial instruments based on the valuation methodologies which are described below. The fair values of the Organization's financial instruments approximate their carrying values for financial statement purposes.

The methods and assumptions used to estimate the fair value of each type of financial instruments are as follows:

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying values given their short-term maturities.

It is management's opinion that the Organization is not exposed to significant interest, currency or credit risk arising from these financial instruments.

INDIGENOUS SCREEN OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5. DEFERRED REVENUE

Deferred revenue relates to restricted operations funding received in the current fiscal year that relates to expenses not yet incurred in the current fiscal year. These deferred funds will be used to fund projects in 2022 and future years. The revenue is recognized as the matching expenses for the funding are incurred.

The deferred revenue consists of the following:

	2022	2021
Telefilm Canada	\$ 100,000	\$ 75,000
Ontario Creates	36,000	-
Amazon	-	100,000
CMPA Partnership Funding	-	25,000
	\$ 136,000	\$ 200,000

6. SIGNIFICANT EVENT

On March 11, 2020 the World Health Organization declared COVID-19 a pandemic and by month's end, to save lives, the Federal and Ontario governments restricted travel, commerce and gatherings. The Organization has been able to operate their current programs remotely which have reduced travel costs and onsite costs but increased digital costs such as computer programs and other production costs.