

**PLEASE SIGN & RETURN  
TO LOFTUS ALLEN & CO.**

**INDIGENOUS SCREEN OFFICE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

# INDIGENOUS SCREEN OFFICE

MARCH 31, 2023

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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 comprise the statement of financial position as at March 31, 2023 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 comprise the statement of financial position as at March 31, 2023, 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.

*...continued on next page*



# Loftus Allen & Co. Professional Corporation

Chartered Professional Accountants

## 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  
May 30, 2023

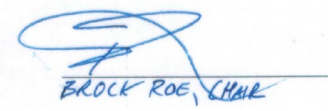
Chartered Professional Accountants,  
authorized to practice public accounting by  
Chartered Professional Accountants of Ontario


# INDIGENOUS SCREEN OFFICE



## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023 (with comparative figures for 2022)

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$2,484,955	\$ 954,199
Funding receivable	45,000	75,000
HST recoverable	12,803	38,689
Prepaid expenses	14,890	7,609
	<b>\$2,557,648</b>	<b>\$1,075,497</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 21,324	\$ 38,509
Funding payable	1,482,869	667,650
Deferred revenue, note 5	714,250	136,000
	<b>2,218,443</b>	<b>842,159</b>
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	<b>339,205</b>	<b>233,338</b>
	<b>\$2,557,648</b>	<b>\$1,075,497</b>

### APPROVED ON BEHALF OF THE BOARD:

  
\_\_\_\_\_  
BROCK ROE, CHAIR

 Director

  
\_\_\_\_\_  
 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, 2023

*(with comparative figures for 2022)*

	2023	2022
<b>BALANCE</b> , beginning of year	\$ 233,338	\$ 88,266
<b>EXCESS OF REVENUE OVER EXPENSES</b>	105,867	145,072
<b>BALANCE</b> , end of year	\$ 339,205	\$ 233,338

The attached notes are an integral part  
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# INDIGENOUS SCREEN OFFICE

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2023 *(with comparative figures for 2022)*

	2023	2022
<b>REVENUE</b>		
Funding from Canadian Heritage	\$13,000,000	\$13,060,000
Funding from Other Government Organizations	607,000	501,000
Funding from Private Sectors	495,000	685,800
	<b>14,102,000</b>	<b>14,246,800</b>
<b>FUNDING DISBURSEMENTS &amp; PROGRAMS</b>		
Story fund	9,151,800	10,507,000
Sector development	2,524,050	1,604,975
Netflix apprentice & mentorship	400,000	450,000
Other programs	272,714	180,000
Partnership expenses	113,286	38,752
Program expenses	40,385	35,224
	<b>12,502,235</b>	<b>12,815,951</b>
<b>ADMINISTRATION EXPENSES</b>		
Salaries, fees and honoraria	1,202,235	897,240
Communications, promotion and marketing	131,584	62,139
Meetings and events	52,927	25,888
Consulting	50,516	230,592
Professional fees	32,878	50,318
Office and general	23,758	19,600
	<b>1,493,898</b>	<b>1,285,777</b>
	<b>13,996,133</b>	<b>14,101,728</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 105,867</b>	<b>\$ 145,072</b>

The attached notes are an integral part  
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# INDIGENOUS SCREEN OFFICE

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023 *(with comparative figures for 2022)*

	<b>2023</b>	<b>2022</b>
<b>CASH FROM (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 105,867	\$ 145,072
<b>CHANGES IN NON-CASH WORKING CAPITAL</b>		
Decrease (increase) in funding receivable	30,000	(75,000)
(Increase) in prepaid expenses	(7,281)	(2,943)
Decrease (increase) in HST recoverable	25,886	(10,896)
(Decrease) increase in accounts payable and accrued liabilities	(17,185)	23,855
Increase in funding payable	815,219	582,650
Increase (decrease) in deferred revenue	578,250	(64,000)
<b>INCREASE IN CASH</b>	<b>1,530,756</b>	<b>598,738</b>
<b>CASH, beginning of year</b>	<b>954,199</b>	<b>355,461</b>
<b>CASH, end of year</b>	<b>\$ 2,484,955</b>	<b>\$ 954,199</b>

The attached notes are an integral part  
of these financial statements



# INDIGENOUS SCREEN OFFICE

## SCHEDULE OF CANADIAN HERITAGE ANNUAL FUNDING FOR THE YEAR ENDED MARCH 31, 2023

	Actual 2023	Budget 2023	Variance over (under) Budget
<b>REVENUE</b>			
Government of Canada - Canadian Heritage	\$13,000,000	\$13,000,000	\$ -
<b>EXPENSES</b>			
Program Commitments - Story Fund	9,151,800	9,560,000	(408,200)
Program Commitments - Sector development	2,385,050	2,140,000	245,050
Salaries, fees and benefits	1,171,606	973,000	198,606
Consulting - Professional fees	46,516	58,000	(11,484)
Administration - Contribution administration	101,089	56,000	45,089
Administration - Operating costs	26,348	150,000	(123,652)
Administration - Communications	112,414	63,000	49,414
	12,994,823	13,000,000	(5,177)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 5,177</b>	<b>\$ -</b>	<b>\$ -</b>

The attached notes are an integral part  
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# INDIGENOUS SCREEN OFFICE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 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, 2023

### 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:

	<b>2023</b>	<b>2022</b>
Held for trading (1)	\$ 2,484,955	\$ 954,199
Loans and receivables (2)	57,803	113,689
Other financial liabilities (3)	2,218,443	842,159

(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, 2023

### 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 2024 and future years. The revenue is recognized by matching the expenses with the funding.

The deferred revenue consists of the following:

	<b>2023</b>	<b>2022</b>
Google.org Charitable Giving Fund	\$ <b>506,250</b>	\$ -
Telefilm Canada	<b>200,000</b>	100,000
Ontario Creates	<b>8,000</b>	36,000
	<b>\$ 714,250</b>	<b>\$ 136,000</b>

### 6. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.