

INDIGENOUS SCREEN OFFICE

FINANCIAL STATEMENTS

MARCH 31, 2024

INDIGENOUS SCREEN OFFICE

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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, 2024 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 as at March 31, 2024, and the results of its operations, changes in net assets, and cash flows for the year then ended in accordance with 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 for 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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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 of 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.

*Loftus Allen & Co
Professional Corporation*

Toronto, Ontario
June 6, 2024

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, 2024

(with comparative figures for 2023)

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$1,657,447	\$2,572,826
Funding receivable	372,500	45,000
HST recoverable	14,740	12,803
Prepaid expenses	15,844	14,890
	\$2,060,531	\$2,645,519
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 56,282	\$ 21,324
Funding payable	1,302,060	1,570,740
Deferred revenue, note 5	350,000	714,250
	1,708,342	2,306,314
NET ASSETS		
UNRESTRICTED	352,189	339,205
	\$2,060,531	\$2,645,519

APPROVED ON BEHALF OF THE BOARD:

X  Director

X  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, 2024

(with comparative figures for 2023)

	2024	2023
BALANCE , beginning of year	\$ 339,205	\$ 233,338
EXCESS OF REVENUE OVER EXPENSES	12,984	105,867
BALANCE , end of year	\$ 352,189	\$ 339,205

The attached notes are an integral part
of these financial statements

INDIGENOUS SCREEN OFFICE

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2024 *(with comparative figures for 2023)*

	2024	2023
REVENUE		
Funding from Canadian Heritage	\$13,000,000	\$13,000,000
Funding from Partners	1,504,633	1,102,000
Interest revenue	56,899	-
	14,561,532	14,102,000
FUNDING DISBURSEMENTS & PROGRAMS		
Story fund	9,748,800	9,151,800
Sector development	2,312,881	2,524,050
Apprentice & mentorship	410,000	400,000
Other programs	337,295	272,714
Partnership expenses	66,759	113,286
Program expenses	45,906	40,385
	12,921,641	12,502,235
OPERATING AND PROGRAM EXPENSES		
Salaries, fees and honoraria	1,213,512	1,202,235
Communications, promotion and marketing	194,930	131,584
Meetings and events	62,383	52,927
Consulting	68,374	50,516
Professional fees	57,137	32,878
Office and general	30,571	23,758
	1,626,907	1,493,898
	14,548,548	13,996,133
EXCESS OF REVENUE OVER EXPENSES	\$ 12,984	\$ 105,867

The attached notes are an integral part
of these financial statements

INDIGENOUS SCREEN OFFICE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024 *(with comparative figures for 2023)*

	2024	2023
CASH FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 12,984	\$ 105,867
CHANGES IN NON-CASH WORKING CAPITAL		
(Increase) decrease in funding receivable	(327,500)	30,000
(Increase) in prepaid expenses	(954)	(7,281)
(Increase) decrease in HST recoverable	(1,937)	25,886
Increase (decrease) in accounts payable and accrued liabilities	34,958	(17,185)
(Decrease) increase in funding payable	(268,680)	658,090
(Decrease) increase in deferred revenue	(364,250)	578,250
INCREASE IN CASH	(915,379)	1,373,627
CASH, beginning of year	2,572,826	1,199,199
CASH, end of year	\$ 1,657,447	\$2,572,826

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of these financial statements

INDIGENOUS SCREEN OFFICE

SCHEDULE OF CANADIAN HERITAGE ANNUAL FUNDING FOR THE YEAR ENDED MARCH 31, 2024

	Actual 2024	Budget 2024	Variance over (under) Budget
REVENUE			
Government of Canada - Canadian Heritage	\$13,000,000	\$13,000,000	\$ -
Interest	56,899	-	56,899
	13,056,899	13,000,000	56,899
EXPENSES			
Program Commitments - Story Fund	9,282,800	9,560,000	(277,200)
Program Commitments - Sector development	2,307,881	2,140,000	167,881
Salaries, fees and benefits	1,107,664	973,000	134,664
Consulting - Professional fees	40,806	58,000	(17,194)
Administration - Contribution administration	35,394	56,000	(20,606)
Operating costs	130,293	150,000	(19,707)
Administration - Communications	152,061	63,000	89,061
	13,056,899	13,000,000	56,899
EXCESS OF EXPENSES OVER REVENUE	\$ -	\$ -	\$ -

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, 2024

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, 2024

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. As at March 31, 2024, the three year funding agreement from CH has ended. CH has confirmed an agreement of 13 million per year over the next three years.

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:

	2024	2023
Held for trading (1)	\$ 1,657,447	\$ 2,572,826
Loans and receivables (2)	387,240	57,803
Other financial liabilities (3)	1,708,342	2,306,314

(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, 2024

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 2025 and future years. The revenue is recognized by matching the expenses with the funding.

The deferred revenue consists of the following:

	2024	2023
Telefilm Canada	\$ 200,000	\$ 200,000
Canada Media Fund	150,000	-
Google.org Charitable Giving Fund	-	506,250
Ontario Creates	-	8,000
	\$ 350,000	\$ 714,250

6. ADMINISTRATION COSTS

The percentage of operating and program expenses is 11.17% (10.59% 2023) of revenue of which 2.72% (2.55% 2023) relates to administration costs not associated with programming.

7. COMPARATIVE FIGURES

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