

OPENING



**From our
Board Chair**

On behalf of the Edmonton Screen Industries Office, let me be the first to say that 2020 was a year of pressures and crises. Through hard work and commitment to the screen industries, the ESIO not only just survived - it pushed ahead, nimbly evolved, and grew in order to support the community even better.

As we made our way through the disruptions of the COVID-19 pandemic, our new programs, grant streams, and professional development sessions helped stimulate employment and economic activity within our local screen industries sector and set content creators up to come out of this difficult time in a stronger position than they were before. The staff and Board were able to pivot quickly and adapt our programs to support much-needed relief, and as an organization the ESIO continued to make timely and important investments in the Edmonton Metro region through the Edmonton Screen Media Fund.

It has been a pleasure working with the Board, our CEO and staff on addressing the concerns not only of those in the screen industries, but the greater Edmonton Metro region as we all worked together to support Edmontonians in need during this time. The ESIO has cemented itself within the community as a hub of information and support and we look forward to continuing the growth trajectory we have outlined for the sector.



**Peggy Garritty,
Board Chair**

REMARKS

2020 AT A GLANCE

FROM

ZERO TO 305

locations added to the
ESIO's location's Library.

\$201,744.16

was committed through Grants and Rebates.



20 Early Stage Project Grants

31 Industry Support Grants

3 Location Rebates

3 Location Scouting Rebates

57 GRANTS & REBATES IN 2020

The Edmonton
Screen Media Fund
committed
\$455,620
to investment
projects in
2020.

6 workshops held with 161 attendees

4 appearances at festivals and industry
community events

4 meetings of the ESIO's Advisory Council

MEASURING IMPACT



Top of Studios - Dion Depose

5%

of companies report that the ESIO's support made it possible for them to continue operations during COVID-19

19%

of companies reported they were able to make important contacts with the ESIO's support.



"Picture It" - Kristen Quist

35%

of companies reported being able to proceed with a project/initiative with the ESIO's support.



Guerrilla Motion Pictures - Justin Kueber

42%

of companies reported being able to obtain additional funding with the ESIO's support.



VRcave



Loud Whisper Productions - Karina Beatty

Supporting the local screen industries through COVID-19

The ESIO's small, adaptive team pivoted to online operations incredibly quickly. In a time of upheaval and uncertainty, we supported content creators by serving as a central resource, compiling and efficiently communicating important information as it became available from the federal, provincial, and municipal governments. As part of this focus on being a beacon point for the community, we created a newsletter that was endorsed by the Canadian Media Fund as a resource to help content creators navigate working during COVID-19.

We also used this time to create relationships with more diverse groups within the screen industries and bring together groups that traditionally struggled to meet in person. We found and leveraged opportunities in the new reality of working online to help content creators expand their professional networks and draw on one another's strengths.

Noting that production was suspended but development could go ahead, we introduced a new stream of funding, Early Stage Project Grants, that has now become a permanent addition to our funding programs. This grant stream allowed stakeholders across the screen industries to start working again on a total of 20 different projects, with a total of \$20,000 distributed. This allowed the ESIO to ensure that Edmontonians kept working and that the screen industries were able to stay active during the three-month shutdown of the film and television industry.



"You Didn't Make Me" Justin Brunelle

More engagement, greater impact.

Growing our presence

The ESIO welcomed two new staff members in 2020 – a Locations Officer (Samantha Quantz) joined the team in April, and a Communications & Outreach Officer (Madison Côté) started work in September. These two new hires are well-established members of the screen industries community, from both sides of the screen industries, and bring a balanced approach to supporting film and television as well as interactive digital media.

Filling these two positions with talented, passionate people allowed the ESIO to provide more direct, impactful support to the screen industries community. With a full staff team in place, we were able to develop essential resources for content creators, increase the community's engagement with the ESIO and respond more quickly and effectively to community needs.



"Wop May - Mad Trapper Block" - Frederick Kroetsch



"The way this [Location Scouting Support Program] was set up was *amazing*! Samantha and Alexandra set up an achievable, detailed and full scouting schedule, but that never felt rushed or behind. Alexandra was a wonderful scout, with enough knowledge of each location and the contact there to answer general questions and was willing to follow-up or help establish the connection for our team to follow-up about specifics. She was very professional, courteous and willing to help. Overall, this entire scouting experience was wonderful - keep up the great work!"

Joel Goundry
Roadwest Pictures

Communications & Outreach

The first major project for the new Communications & Outreach Officer was to launch a new visual identity to better represent and support the community while increasing Edmonton's credibility as a screen city. This included redevelopment and launch of a new website, new logo, and new branding package to tie the ESIO better into the community it serves. Reactions from the community have been positive - it was noted by a filmmaker coming from Ottawa that ESIO's new website was by far the easiest to use, compared to websites for comparable organizations in Vancouver, Calgary and Toronto.

Increased communication and engagement with the community to raise the profile of the ESIO began in 2020, as well as finding opportunities to encourage more content creators to engage with the ESIO. This strategy led to the ESIO presenting as approachable, collaborative, and user-friendly while we expanded our contacts within the community.

Dept. 9 Studios - Don Depoe



Locations & Scouting

Having an officer dedicated specifically to Locations has enabled the ESIO to make set visits, provide permitting support, and connect Edmonton with producers and creators looking to create their projects in our city. Our Locations Officer was also able to launch our Location Scouting Support Program, which has been received incredibly well by the industry.

The Location Scouting Support Program committed to providing a total of \$10,812 in rebates for guest productions and over \$45,000 for location rebates. The program has enabled us to work directly with significant stakeholders including the Government of Alberta, which has led to information flowing through the ESIO to the screen industries community in an efficient and timely manner.

Panels, Events & Sponsorships

Beyond this, members of the ESIO team have participated in panels at the Calgary Underground Film Festival, sessions with NAIT's Radio and Television program, Edmonton Global's Economic Developers Network, and several events that the ESIO has provided sponsorship for, including AMPA's annual Rosie Awards, Gamers for Groceries, and more. These events have been opportunities to share our expertise, meet and connect with content creators and establish the ESIO as a valuable, active part of the screen industries community.

Forging our way forward, together.

Job creation and growing local capacity

Connecting the Community

As industry discussions have become easier to facilitate online, we have been able to include stakeholders from across Alberta who want to support our Edmonton creators. This has been extremely beneficial for the development stages of Edmonton screen media projects.

The ESIO also facilitated the first-ever meeting between all members of the animation and video effects community in order to better understand the needs of convergent media companies. This meeting was highly successful and led to new relationships and collaborations within that community.

Building a Screen-Friendly Alberta

A significant focus for the Locations Officer has been creating a screen-friendly policy to apply across the entire Edmonton Metro region, which has already been positively received by many municipal officials. This policy will enable those working in the screen industries to better understand what municipalities require for use of their locations, grants they might provide, as well as permitting requirements. Part of the development of this program has been completed in conjunction with Calgary Economic Development's Film Commission, in order to present a unified provincial strategy for film and television across the province.



"Sam Lundell's Everything" - Justin Brunelle

Developing Local Talent

The ESIO recognizes that there are challenges associated with growing many parts of the screen industries within Edmonton Metro. We have been working with local unions, guilds, and associations to address the shortage of trained crew through free professional development workshops as well as hiring locals and training them to support these industries.

The ESIO itself trained and hired nine new location scouts in order to increase Edmonton's talent pool and capacity to pitch for guest productions. While some of these individuals are now working outside the ESIO as location scouts or location managers, some were unable to continue with their on-set work from March until June during the industry shutdown - during this time, they were able to continue providing location scouting support to the ESIO, which enabled them to keep working in Edmonton. As a result, the ESIO has received many more inquiries about filming in Edmonton due to the expansion of the Locations Library, and the ESIO's social media presence has become more interactive and appealing.

“A year ago, my only film experience was as a PA. I expressed interest in locations and so Samantha brought me on to work on the Reel Scout / AB Film Library initiative. I ultimately became the lead scout for that project, and within the year I was able to quit my day job and I now work full time as a location scout/manager here in Edmonton, which I didn’t know was possible! ”

Ryan Leedu
Filmmaker & Location Scout



Photo by Alex Pugliese on Unsplash



Red Wine - Canadian Movie Corp.

More support needed, more support given.

ESIO's Funding Streams

Most of the ESIO's funding programs were announced in November of 2019, but applications fully opened and the first funds were distributed in 2020. We also added two new funding streams this year that hadn't been previously announced. The ESIO has been proud to effectively launch not just one funding program but seven within one year. The impact of these grants and programs on the community have been invaluable, and distribution of the committed funding has helped Edmonton's screen industries not only survive this year, but thrive.

New Funding Streams

Early Stage Project Grants - \$20,000 Committed, 20 Projects Supported

These grants provide support for new projects to help cover third-party costs during the planning phase. Adding this stream helped content creators continue with the planning and project development work they could do safely while production was suspended.

The Gil Cardinal Legacy Award

As of 2020, the ESIO now manages this award in memoriam of Gil Cardinal, a beloved Indigenous Edmonton filmmaker. With help from the community, projects by Indigenous filmmakers are chosen to receive in-kind services, mentorship and a cash prize.

“Hey Samantha! Thought I would let you know that we did end up filming our interview at Yellowhead Brewery and it worked out perfectly. So just wanted to say thank you for connecting us with them! It’s great to have you at ESIO for requests like this one! ”

Braden Rooke
Associate Producer



Existing Funding Streams

The Edmonton Screen Media Fund - \$455,620 Committed

This endowment fund was provided to the ESIO by the City of Edmonton to invest strategically in the screen industries. The first round of successful applicants began to receive their funding in 2020, with investment committed to projects like Curved Space, Christmas with a Crown, and more.

Industry Support Grants - Over \$125,000 Committed Across 31 Grants

These grants provide support for companies with third-party costs relating to general business expenses, marketing, and online event attendance. Financial support for marketing and professional development, activities that help content creators monetize their work and improve their business operations, has been identified as a key unmet need for the local screen industries community.

Location Rebates

This stream helps film and television productions offset costs for film location fees, site relocation costs, and municipal service costs (such as police and fire) within Edmonton Metro.

Location Scouting Rebates

These rebates help attract guest producers to Edmonton Metro by providing reimbursement of costs for local transportation, meals, and accommodation for guest productions looking to film in our region. They also help cover the costs of hiring a local location scout for up to three days and getting help with location permit applications, if needed.

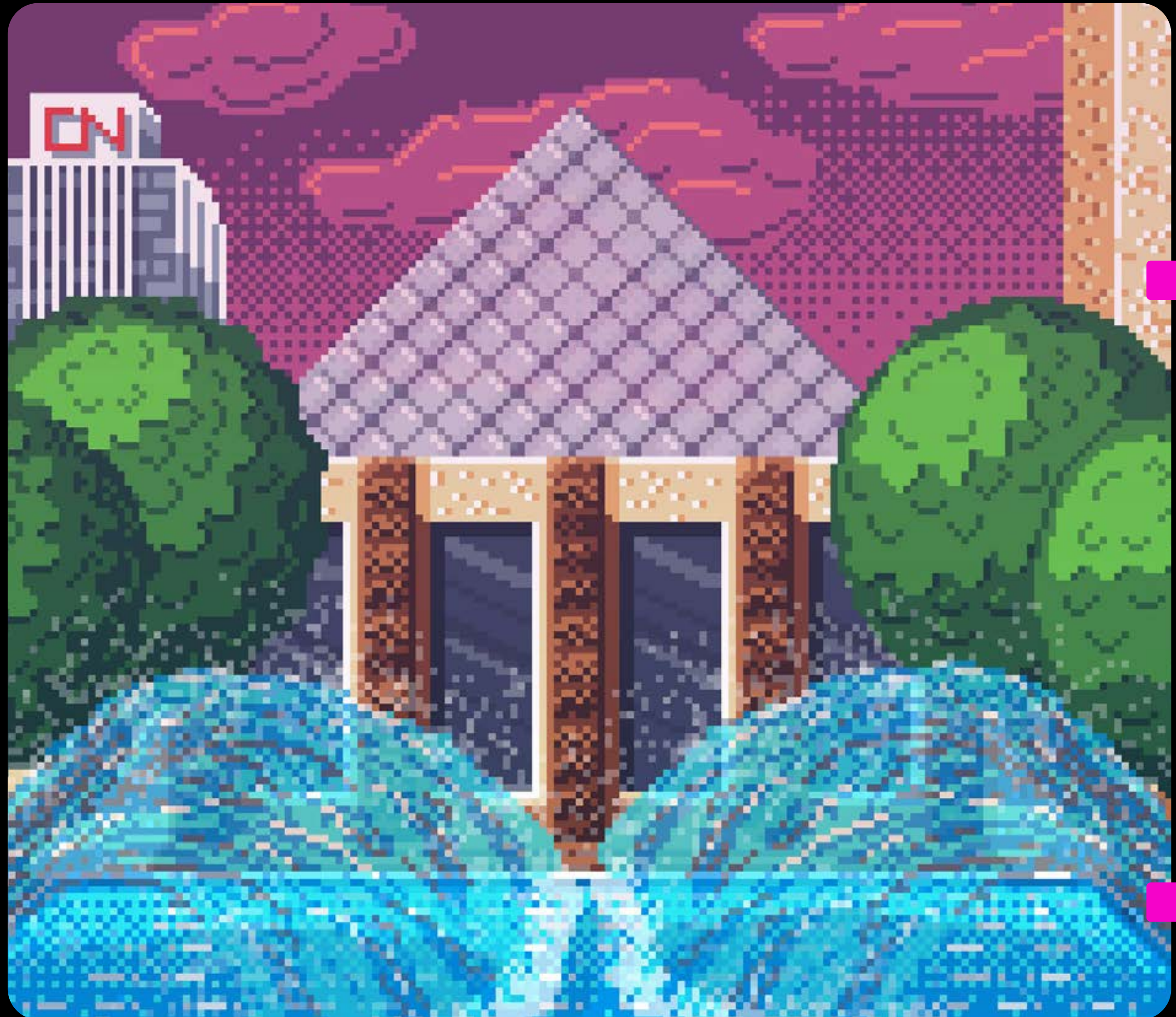
Event Sponsorship

The ESIO assesses event sponsorship requests based on their potential impact on the Edmonton screen media sector which includes support for industry events, organizations, and local initiatives.



Dept. 9 Studios - Don Depoe

City of Edmonton Reporting Requirements



"Edmonton City Hall" - Isobell Hubert Lyall

**The 2021 Strategic
Business Plan and
Approved 2021
Budget documents
have been previously
submitted.**

BOARD

as of
April 30, 2021

DIRECTOR	APPOINTED	TERM ENDED
Carman McNary	May 2017	December 2020
Andrea Mondor	May 2017	December 2020
Scott Nye	May 2017	December 2020
Tony Briggs	May 2017	
Chris Bruce	May 2021	January 2020
Peggy Garritty (Board Chair)	October 2018	
Kristina Milke	October 2018	
Tina Thomas	October 2018	
Lynette Tremblay	October 2018	
Pamela Freeman	October 2021	April 2020
Kerry Day (Board Vice Chair)	January 2020	
Rod Matheson	January 2020	
Samantha Kernahan	January 2020	
Darryl Boessenkool	January 2020	
Penny Omell	January 2021	
Christians Izquierdo	January 2021	

OF

DIRECTORS

AUDITED STATEMENTS



Suite 1500, 9888 Jasper Avenue NW
Edmonton, Alberta T5J 5C6
T: 780.424.3000 | F: 780.429.4817 | W: krpgroup.com

April 6, 2021
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Directors of Edmonton Screen Industries Office Society

Report on the Financial Statements

Opinion

We have audited the financial statements of Edmonton Screen Industries Office Society (the Society), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flow 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 the Society as at December 31, 2020, and the results of its operations and cash flow 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 Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with 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 the financial statements in accordance with 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report to the Members of Edmonton Screen Industries Office Society (continued)

Auditor's Responsibilities 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 Society'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 Society'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 Society 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.

Kingston Ross Pasnak LLP
Chartered Professional Accountants

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2020

	2020	2019
REVENUE		
Government grants (Note 3)	\$ 1,172,856	\$ 949,693
Application fees	3,000	1,500
Returns on Edmonton Screen Media Fund	640	-
Sponsorships	-	15,200
	1,176,496	966,393
PROGRAMMING COSTS (Note 4)	343,805	135,805
GROSS PROFIT	832,691	830,588
EXPENDITURES		
Staffing	573,622	414,756
Consultants	46,528	67,194
Rent	27,195	20,130
Office and administration	20,060	26,240
Accounting services	18,348	16,461
Legal fees	17,186	13,795
Insurance	12,945	8,668
Advertising and promotion	13,571	14,148
Equipment purchases	6,852	13,548
Travel	5,039	37,445
	741,346	632,385
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	91,345	198,203
OTHER INCOME		
Government assistance (Note 5)	88,207	-
Interest income	82,197	95,019
Other	25	310
Gain on equity investments	2	-
	170,431	95,329
EXCESS OF REVENUE OVER EXPENDITURES	\$ 261,776	\$ 293,532

NUMBER OF POSITIONS: 6 PERMANENT, FULL-TIME; 0 PART-TIME/PART-YEAR
TOTAL EXPENDITURE: \$503,153

RANGES	NUMBER OF EMPLOYEES
\$1 - \$39,999	0
\$40,000 - \$79,000	3
\$80,000 - \$119,999	2
\$120,000 - \$159,999	1
\$160,000 and over	0

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2020

	Unrestricted	Internally Restricted (Note 10)	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 357,245	\$ 86,099	\$ 443,344	\$ 149,811
EXCESS OF REVENUE OVER EXPENDITURES	212,959	48,817	261,776	293,533
NET ASSETS - END OF YEAR	\$ 570,204	\$ 134,916	\$ 705,120	\$ 443,344

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 2,555,372	\$ 407,832
Guaranteed Investment Certificate (Note 6)	2,000,000	3,956,531
Accrued interest (Note 6)	37,674	88,232
Accounts receivable	21,857	4,040
Goods and Services Tax recoverable	8,426	15,050
Prepaid expenses	29,618	16,532
Current portion of loans receivable (Note 7)	52,991	-
	4,705,938	4,488,217
LOANS RECEIVABLE (Note 7)	237,154	-
EQUITY INVESTMENTS (Note 7)	2	-
	\$ 4,943,094	\$ 4,488,217
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 104,482	\$ 58,513
Employee deductions payable	19,627	8,467
Grants payable (Note 4)	77,235	3,472
Deferred contributions (Note 8)	3,996,630	3,974,421
	4,197,974	4,044,873
CANADA EMERGENCY BUSINESS ACCOUNT (Note 5)	40,000	-
	4,237,974	4,044,873
LEASE COMMITMENT (Note 9)		
NET ASSETS		
Unrestricted	570,204	357,245
Internally restricted (Note 10)	134,916	86,099
	705,120	443,344
	\$ 4,943,094	\$ 4,488,217

ON BEHALF OF THE BOARD

Peggy Garritty
Peggy Garritty (Apr 12, 2021 09:50 MDT) Director

Darryl Boessenkool
Darryl Boessenkool (Apr 12, 2021 18:08 MDT) Director

See notes to financial statements
Edmonton Screen Industries Office Society

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Cash Flow
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 261,776	\$ 293,532
Item not affecting cash:		
Purchase of equity investments	(2)	-
	261,774	293,532
Changes in non-cash working capital:		
Accounts receivable	(17,817)	(474)
Goods and Services Tax receivable	6,624	(8,357)
Prepaid expenses	(13,086)	(10,871)
Accrued interest	50,558	(88,232)
Contributions receivable	-	3,956,531
Accounts payable and accrued liabilities	45,969	(11,429)
Employee deductions payable	11,160	8,467
Grants payable	73,763	3,472
Deferred contributions	22,209	13,893
	179,380	3,863,000
Cash flow from operating activities	441,154	4,156,532
INVESTING ACTIVITIES		
ESMF loan receivable issued	(304,807)	-
ESMF loan receivable repayment	14,662	-
Purchase of guaranteed investment certificate	(2,000,000)	(3,956,531)
Proceeds from guaranteed investment certificate	3,956,531	-
Cash flow (used by) from investing activities	1,666,386	(3,956,531)
FINANCING ACTIVITY		
Canada Emergency Business Account	40,000	-
INCREASE IN CASH AND CASH EQUIVALENTS	2,147,540	200,001
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	407,832	207,830
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,555,372	\$ 407,831
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 199,796	\$ 122,379
Term deposits	2,355,576	285,453
	\$ 2,555,372	\$ 407,832

See notes to financial statements
Edmonton Screen Industries Office Society

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

1. PURPOSE OF THE SOCIETY

Edmonton Screen Industries Office Society (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta on May 10, 2017. As a not-for-profit organization, the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to support the development, growth, and sustainability of the Edmonton Metropolitan Region as a centre of excellence in storytelling, creativity, innovation, collaboration and production across all sectors of the screen media industries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted and internally restricted 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 interest income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted and internally restricted interest income is recognized as revenue when earned.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit plus highly liquid short term investments, less cheques issued and outstanding. Highly liquid short term investments consist of term deposits that are valued at cost plus accrued interest and have maturities at the date of purchase of less than a year. These term deposits have annual rates of return ranging from prime less 1.50% to prime less 1.55%.

Equity investments

The Society records equity investments initially at fair value and subsequently at cost, less any reduction for impairment.

Grants payable

The Society records grants (included in program costs expense) at the time the related grant application is approved.

(continues)

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government assistance

Government assistance is recognized in the statement of revenue and expenditures on a systematic basis, over the periods in which the Society expenses match the related costs for which the assistance is intended to compensate. During the year, the Society received the Canada Emergency Wage Subsidy, Canada Emergency Rent Subsidy, Canada Emergency Business Account loan, and Temporary Wage Subsidy.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include the completeness of accrued liabilities, the collectibility of loans receivable, and the valuation of equity investments. These are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Society subsequently measures its financial instruments at amortized cost.

Donated services

Volunteers contribute a significant amount of time each year to assist the Society in carrying out its mission. However, the contributed services of the volunteers are not recognized as revenue and expenses in these financial statements because their fair value cannot be reasonably determined.

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

3. GOVERNMENT GRANTS

Unrestricted

The Society entered into a Funding Agreement (the "Agreement") in 2019 to receive grant funding from the City of Edmonton for a total of \$4,461,000 over a four-year period to assist in developing and continuing its operation. The City of Edmonton approved a motion in December 2020 to reduce 2021 funding by \$60,000.

During the year, the Society received \$1,156,000 of unrestricted funding per the Agreement. The remaining funding will be received as follows:

- \$560,500 on January 1, 2021 upon receipt by the City of Edmonton of a proposed budget for 2021 and a report of specific performance indicators as outlined in the Agreement;
- \$560,500 on June 1, 2021 upon receipt by the City of Edmonton of audited financial statements for 2020;
- \$604,000 on January 1, 2022 upon receipt by the City of Edmonton of a proposed budget for 2022 and a report of specific performance indicators as outlined in the Agreement; and
- \$604,000 on June 1, 2022 upon receipt by the City of Edmonton of audited financial statements for 2021.

Externally Restricted

In 2018, the Society entered into a Capital Subsidy Agreement ("Capital Agreement") to receive grant funding from the City of Edmonton in the amount of \$3,956,531 to create the Edmonton Screen Media Fund (ESMF). The ESMF is to be used to invest in the local ownership and development of premium intellectual property and to leverage resources to access public and private capital and resources. At least 50% of the returns attributable to the eligible projects are required to be returned to the ESMF.

During the year, the Society recognized deferred grants from the Government of Alberta totaling \$16,856 (2019 - \$7,193) when the related expense was incurred.

4. GRANTS PAYABLE

The Society has committed grants to industry organizations that become payable and are classified as accounts payable on verification of the related disbursements made by the industry organization.

	2020	2019
Balance, beginning of the year	\$ 3,472	\$ -
Grant commitments issued during the year, included in programming costs	188,415	21,106
Expired prior year commitments	(2,201)	-
Grants paid during the year	(112,451)	(17,634)
	\$ 77,235	\$ 3,472

These industry grants and rebates are to support activities in the industry and are expected to be fully utilized in 2021.

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

5. GOVERNMENT ASSISTANCE

During the year, the Government passed legislation offering subsidies to employers in order to assist with wage and rental costs. The Society benefited from the Canadian Emergency Wage Subsidy (CEWS) for remuneration paid between July 5, 2020 to December 19, 2020 in the amount of \$58,600, all of which has been recognized in the year. Of this amount \$20,300 is receivable at year-end. The Society benefited from the Temporary Wage Subsidy (TWS) for payroll deductions on remuneration paid between March 18, 2020 to June 19, 2020 in the amount of \$6,340, all of which has been recognized in the year.

The Society benefited from the Canada Emergency Rent Subsidy (CERS) for rent paid between September 27, 2020 to December 19, 2020 in the amount of \$3,267, all of which has been recognized in the year. Of this amount \$1,312 is receivable at year-end.

The Society also benefited from the Canada Emergency Business Account (CEBA), which provides a non-interest-bearing loan of \$60,000, of which \$20,000 is forgiven if repaid before December 31, 2022. The \$20,000 forgivable portion has been recognized in income in the year. Subsequent to December 31, 2022, any remaining outstanding loan balance will be converted into a three-year term loan with interest of 5% per annum maturing December 31, 2025.

6. GUARANTEED INVESTMENT CERTIFICATE

The Society invested funds in a Guaranteed Investment Certificate (GIC) with an interest rate of 2.01%, maturing January 23, 2021.

As of December 31, 2020, the GIC had accrued interest of \$37,674 (2019 - \$88,232).

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

7. LOANS RECEIVABLE

The Society administers the Edmonton Screen Media Fund (ESMF) to incentivize and support screen media projects or ventures that produced, manufactured and/or headquartered in the Edmonton Metropolitan Region. During the year, the Society has provided funding to three projects.

	2020	2019
Loan receivable bearing interest at 5.95% per annum, repayable in quarterly blended payments of \$14,662. The loan matures on May 3, 2023 and is secured by a general security agreement.	\$ 136,618	\$ -
Loan receivable bearing interest at 0% per annum repayable in accordance with the recoupment schedule. The loan is secured by a general security agreement. Upon full recoupment, the Society will receive a royalty specified at 17% of the project revenue on an ongoing basis. The Society has committed to funding the lesser of (a) \$80,720 or (b) 17% of the final cost of the project. At year-end \$68,527 had been funded.	68,527	-
Loan receivable bearing interest at 0% per annum repayable in accordance with the recoupment schedule. The loan is secured by a general security agreement. Upon full recoupment, the Society will receive a royalty specified at 41% of the project revenue on an ongoing basis. The Society has committed to funding the lesser of (a) \$100,000 or (b) 9% of the final cost of the project. At year-end \$85,000 had been funded.	85,000	-
	290,145	-
Amounts receivable within one year	(52,991)	-
	\$ 237,154	\$ -

8. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and donations. Restricted contributions can only be used for specific programs. The programs are as follows: ESIO workshops and conference, Gil Cardinal Legacy Award, and Edmonton Screen Media Fund.

	2020	2019
Balance - beginning of year	\$ 3,974,421	\$ 3,960,528
Government of Alberta Community Initiatives Program grant funding received	34,925	21,086
Gil Cardinal Legacy Award contribution received	3,500	-
ESMF returns allocated to the Fund	640	-
Contributions recognized	(16,856)	(7,193)
	\$ 3,996,630	\$ 3,974,421

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Notes to Financial Statements
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9. LEASE COMMITMENT

The Society entered into a lease agreement with the City of Edmonton, expiring April 30, 2023. Under the terms of the agreement, the Society is charged annual rent of \$1 and monthly operating costs of \$2,211, subject to annual review. Future minimum lease payments as at December 31, 2020, are as follows:

2021	\$ 26,533
2022	26,533
2023	8,844
	<u>\$ 61,910</u>

10. INTERNALLY RESTRICTED NET ASSETS

The Society's Board of Directors has internally restricted net assets related to application fees received, interest earned on the principal of the ESMF not yet invested and the other 50% of returns attributable to the eligible projects from the ESMF. The net assets are internally restricted for the purpose of administering and managing the ESMF.

	2020	2019
Application fee revenue	\$ 3,000	\$ 1,500
Interest income earned on the ESMF fund	71,118	88,234
ESMF returns	640	-
Programming costs	(25,941)	(3,635)
	<u>\$ 48,817</u>	<u>\$ 86,099</u>

11. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure as of December 31, 2020. Unless otherwise noted, the Society's risk exposure has not changed from the prior year.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from loans receivable. In order to reduce its credit risk, the Society reviews a new projects viability before extending a loan and conducts regular reviews of its existing loan recipients performance.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

13. COVID-19

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Society or clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Society's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Society's business, financial condition or results of operations. Specifically, the Society's ability to invest ESMF funds and issue grants could be impacted by the slowdown in the screen media industry. Program delivery and revenue generation could be limited to the opportunities made available by our partners and vendors. The extent to which the COVID-19 outbreak impacts the Society's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.