



2022 **Annual Report**

Message from the Board Chair

Peggy Garritty
Board Chair



2022 was an exciting year for the ESIO.

Our primary focus was on moving forward with our strategic plan and taking steps to fulfill our purpose: **To be a daring partner that champions creativity, powers the success of our screen industries, and drives pride in a radiant city.**

Working closely with our partners at Alberta Film and Calgary Economic Development, we're working hard to market Alberta as a film destination, and that is paying dividends in Edmonton by opening new doors and raising awareness of Edmonton as a film destination. Thanks to the continuing success of local producers and creators, it was an exciting year for film in Edmonton and we're optimistic that opportunities are going to increase even more in the future as we attract more productions and see more local filmmakers achieving success. We're in the process of re-purposing our investment fund. With approval from the City of Edmonton, we're now poised to launch a new direction for the investment fund, allowing us to move beyond simply investing in single projects and instead making strategic investments in initiatives that will support and grow the entire screen industry over time. Those new approaches will begin rolling out in 2023 and we're looking forward to exciting times ahead as these investments take root and grow new opportunities.

On the digital side, we shared in the disappointment that a proposed tax credit was not approved but we continue to work with people in the interactive digital media industry to provide support however we can. We have outstanding digital and game developers in Edmonton and we're determined to find the best ways to work with them and support growth in that industry. We'll also be working closely with our partners to leverage the new Alberta Esports Strategy and attract esports events to our city.

Looking ahead to 2023, we'll continue to work with and support our many talented partners in Edmonton's screen industries. It's a year where we will move from developing a new strategy to implementing key investments, launching new programs, and building our connections in the Edmonton region, across the province and around the world.

*Peggy Garritty,
Board Chair, ESIO*

Message from the CEO

Tom Viinikka
CEO



The past year has been a time of significant strategic transformation and growth.

We successfully launched our comprehensive strategic plan, drew global attention to Edmonton's vibrant screen industries and began to see increases in production activity.

An exciting milestone was the appointment of our new film commissioner, Dorian Rowe, whose wealth of experience has already proven pivotal. I am proud of the ongoing efforts both in our office and in the community to develop the film industry here. Our local firms, such as Northern Gateway Films, have flourished, demonstrating the potential of Edmonton as a creative powerhouse.

Building on our continued partnership of Team Alberta, we jointly undertook several global activations and strategized together. This collaborative spirit was underscored by the successful completion of important initiatives such as Key Frames, A Growth Strategy for Animation and VFX in Alberta and the Alberta Esports Strategy. This synergy, which also included our partners at Explore Edmonton and Edmonton Global, is testament to Team Alberta's lasting achievement in moving our screen industries forward.

Securing sustainable, ongoing funding from the City of Edmonton marked another significant step, providing financial security for future projects. We are grateful for the City's contributions and recognition of these important creative industries.

Edmonton continues to be a centre of excellent talent in the interactive digital media space. ESIO supported the launch of the Alberta Game Series, an exciting initiative empowering indie studios to create and monetize more games. We look forward to further developing this initiative and others in the interactive digital media space in the future.

It is wonderful to be working in these creative industries and I am grateful to our community for its continued support. Our path in 2022 was illuminated by creativity, collaboration, and innovation. We invite you to join us as we champion our screen industries and help our radiant city shine globally!

Tom Viinikka
CEO

2022 at a Glance

64 Grants and Rebates
Committed in 2022

27

Market and Event
Access Grants

23

Early Stage
Project Grants

6

Business
Development and
Marketing Grants

\$227,632

was committed through
grants and rebates

Scouted

200+

locations for
productions

5

Location Scouting
Support Rebates

2

Location
Rebates

8

Networking
events held

Attended

20+

festivals, conferences
and market events

Measuring Impact

31%

were able to receive more learning and training opportunities with ESIO's assistance

23%

were able to make important contacts with ESIO's assistance

23%

were able to obtain additional funding with ESIO's assistance

20%

were able to proceed with projects and initiatives with ESIO's assistance

6%

were able to hire more people with ESIO's assistance

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Thank you Edmonton Screen Industries Office (ESIO) for your support of SKINAMARINK... Canada's first blockbuster & international box office success of 2023!

ESIO provided support for the SKINAMARINK team, writer/director Kyle Ball & yours truly, to attend the 2022 Fantasia International Film Festival to meet & network with festival programmers, distributors, exhibitors, and fellow fans & filmmakers! SKINAMARINK also had its world premiere at Fantasia on July 25, 2022!

The SKINAMARINK team is grateful for ESIO's continued support of emerging filmmakers & microbudget productions! Apply for ESIO grants today and go fourth and make your blockbuster film!

Thank you ESIO for helping to make history! (We hope you have room for more posters, especially for all the sequels!)

// Edmon Rotea, Producer

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Team Alberta

Alberta Producer Accelerator Program

The Alberta Producer Accelerator Program was launched through a partnership between the Alberta Film Commission, Edmonton Screen Industries Office, Calgary Economic Development, Calgary Film Centre, and Alberta Media Production Industries Association. This program provided funding, one-to-one mentorship, access to key decision makers, and production support. Out of the nine participants that were selected to participate in the program, **one individual from the Edmonton region was able to successfully secure an option agreement with a large production company.** This extraordinary achievement not only signifies a monumental milestone for the project, but also a surge of possibilities for the film industry in Alberta.

“The Alberta Producer Accelerator program was one of the most practical and tailor-made programs I could have wished for for my series proposal. I’ve received valuable information but—most importantly—I gained access to decision makers I can not easily access from here in Edmonton.”

// Eva Colmers, No Problem Productions



Labour Market Survey

The Labour Market Survey, which was initiated in 2021 and completed in 2022, outlines the current and projected labour market needs required to support the continued growth of Alberta’s film and TV production industry. The study has been instrumental in providing us with a deep understanding of the human resources within our industry. Based on the valuable insights obtained from the survey, a comprehensive workforce action and implementation plan has been developed to help move the industry forward.

Cannes Film Festival

In 2022, the ESIO attended the Cannes Film Festival. This event provided a valuable platform to network and showcase Alberta’s film industry on an international stage. As part of our presence at the festival, we hosted a memorable dinner in collaboration with Calgary Economic Development providing a key networking opportunity by bringing together industry professionals, decision makers, and those that support the film and television industry. The dinner created an invaluable opportunity to engage with attendees from all over the world to exchange ideas, insights, and continue to build relationships.

Animation & VFX Strategy

Key Frames: A Growth Strategy for Animation and VFX in Alberta, initiated in 2021 and finalized in 2022, represents a significant achievement in our efforts to guide the growth and development of the film and television industry. This strategy will serve as a framework to attract, nurture, and support animation and VFX talents and businesses in Alberta, increasing the number of creative jobs and paving the way for a thriving industry to come.

Collaborations

Alberta Esports Strategy

After a year of collaboration, we were proud to launch the Alberta Esports Strategy. Through our collective efforts with Calgary Economic Development, Edmonton Global, Tourism Calgary, Explore Edmonton, and Alberta Esports Association, we hope to attract more esports events to the province and create new job opportunities for Albertans.

Alberta Game Series

Through our collaborative partnership with Digital Alberta, Calgary Economic Development, and Calgary Game Developers Association, the Alberta Game Series was introduced in 2022. This in-person event provided an opportunity for gaming studios representatives, industry experts and partners to connect and learn.

The Alberta Game Series enabled a productive environment for knowledge sharing. It featured panel discussions, presentations on topics such as starting a game studio in Alberta, influencer marketing strategies for indie games, and pitching to publishers and investors. Eight indie studios from across Alberta, including two local studios, provided demos of their latest games. This annual event will continue to bring the interactive media sector together, solidifying Alberta's innovative hub for talent and game development.



“ This event also allowed us to meet and connect with game developers from all over Alberta. For example, we met a studio from Lethbridge that received Canada Media Fund funding for their prototype in the same round as us. As it turns out, we faced similar challenges regarding development velocity and unexpected budget shifts. We have kept in touch since then and will continue to do so. We believe that this relationship will make us more successful regarding our CMF reporting later this year. ”

// Isael Huard , Caldera Interactive

EAVE Dinner

Celebrate Diversity, Empower Voices

In 2022, the EAVE on Demand Access Program brought its third and final workshop to Edmonton. Presented by the National Screen Institute with support from the Canada Media Fund, the program aims to empower BIPOC producers in Canada to become distinct storytelling voices in the global marketplace. To celebrate the conclusion of the one-year training program, the ESIO hosted a dinner to recognize and thank those involved. The evening at Fort Edmonton Park commenced with a tour of the Indigenous People's Experience, iyiniwak okiskêyihitamowiniwaw, offering participants, instructors, and guests an opportunity to learn about the diversity of First Nations' and Métis peoples', their histories, cultures, experiences, and perspectives.

Following the tour, dinner included the opportunity to hear from guest speakers Shivani Saini from Creatives Empowered and City of Edmonton Councillor Aaron Paquette who shared their experiences and stories as BIPOC creators. The dinner created opportunities for networking, knowledge sharing, and meaningful conversations throughout the evening. We are so proud to be able to support diverse perspectives and foster inclusivity.



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Attending the Big Pitch has been a true “game changer” for our company in terms of the connections were made, and interest generated in the project from some of the top producers in this space. We have so much gratitude to the ESIO for its support.

// **Nauzanin Knight, 1844 Studios**

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Conference and Market Attendance

We seized this opportunity to network and establish relationships with various producers, developers, studios, and decision makers.

Foster Connections, Build Opportunities.

As the world continued to open up from the COVID-19 pandemic, we were able to attend several prominent markets and conferences nationally and internationally. We seized this opportunity to network and establish relationships with various producers, developers, studios, and decision makers.

To name a few, we attended the Cannes Film Festival, Toronto International Film Festival, American Film Market, Banff World Media Festival, Association of Film Commissioner International Week, Whistler Film Festival, Game Developers Conference, and SXSW.

These events were instrumental in the continued growth of the industries we serve, providing us with valuable insights, exposure to innovative ideas, and connections that allowed us to establish partnerships with several key players in the industry. Through these connections, we continue to promote our city as a prime destination for screen media initiatives.



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Thank you ESIO for supporting me in attending this market. This kind of support is crucial to producers, especially those that are smaller and would be able to attend otherwise. This gives us a level playing field as they say. And allows us to meet with industry people and bring production to Edmonton. Thank you!

// **Connie Edwards, Souleado Entertainment**

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Year-End Event

Unleash Creativity, Accelerate Change

At the end of 2022, we partnered with the Film and Video Arts Society of Alberta to host an end-of-the-year celebration for creators throughout the screen media industries and those that support them. This opportunity brought the community together to harness inspiration, creativity, and support for one another. Attendees included business leaders, educational facilitators, government officials, and, of course, our amazing local creators.

The event was a resounding success, featuring special guest and educator Lewis Cardinal, an interactive virtual production wall, vintage video games, and an exhibition that showcased some of the latest filming gadgets for guests to test out.

Through the event, we highlighted the incredible work that has been done over the past year, connected with new partners and supporters, and built relationships that will continue to help us grow the screen media industry.



Board of Directors

PEGGY GARRITTY, CHAIR
KERRY DAY, VICE CHAIR
ARDEN TSE
CHRISTIANS IZQUIERDO
DARRYL BOESSENKOOL
KRISTINA MILKE
PENNY OMELL
ROD MATHESON
TINA THOMAS
TONY BRIGGS

Audited Financials

INDEPENDENT AUDITOR'S REPORT

April 20, 2023
Edmonton, Alberta

To the Directors of Edmonton Screen Industries Office Society

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, 2022, 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, 2022, 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 Pasmak LLP
Kingston Ross Pasmak LLP
Chartered Professional Accountants

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	2021
REVENUE		
Government grants (Note 3)	\$ 1,255,778	\$ 1,173,152
Sponsorships	19,498	33,110
Returns on Edmonton Screen Media Fund	1,300	3,205
Other grants	-	28,500
Application fees	-	1,500
	1,276,576	1,239,467
PROGRAMMING COSTS		
Programming costs (Note 4)	524,341	563,695
Loan forgiveness (Note 6)	22,500	-
	546,841	563,695
	729,735	675,772
EXPENDITURES		
Staffing	593,345	589,559
Consultants	83,495	36,481
Advertising and promotion	63,013	28,081
Office and administration	29,057	26,456
Accounting services	22,038	25,113
Rent	20,111	20,721
Insurance	15,838	16,163
Travel	11,446	2,937
Legal fees	6,509	2,874
Equipment purchases	5,886	13,082
	850,738	761,467
DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS	(121,003)	(85,695)
OTHER INCOME		
Interest income	115,006	45,101
Other	1,730	3,500
Government assistance	-	103,856
Gain on equity investments	-	2
	116,736	152,459
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	\$ (4,267)	\$ 66,764

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2022

	Unrestricted	Internally Restricted (Note 9)	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 638,368	\$ 133,516	\$ 771,884	\$ 705,120
(Deficiency) excess of revenue over expenditures	(99,775)	95,508	(4,267)	66,764
NET ASSETS - END OF YEAR	\$ 538,593	\$ 229,024	\$ 767,617	\$ 771,884

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 4,741,252	\$ 4,632,982
Accounts receivable	27,278	20,000
Goods and Services Tax recoverable	9,299	7,537
Prepaid expenses	21,388	28,591
Current portion of loans receivable (Note 6)	81,764	146,307
	4,880,981	4,835,417
LOANS RECEIVABLE (Note 6)	132,000	175,691
EQUITY INVESTMENTS	4	4
	\$ 5,012,985	\$ 5,011,112
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 109,920	\$ 106,399
Employee deductions payable	-	16,543
Grants payable (Note 4)	121,272	100,410
Canada emergency business account (Note 5)	40,000	-
Deferred Revenue	-	500
Deferred Contributions (Note 7)	3,974,176	3,975,376
	4,245,368	4,199,228
CANADA EMERGENCY BUSINESS ACCOUNT (Note 5)	-	40,000
	4,245,368	4,239,228
LEASE COMMITMENT (Note 8)		
NET ASSETS		
Unrestricted	538,593	638,368
Internally restricted (Note 9)	229,024	133,516
	767,617	771,884
	\$ 5,012,985	\$ 5,011,112

ON BEHALF OF THE BOARD

 Director
 Director

Edmonton Screen Industries Office Society

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Cash Flow
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures	\$ (4,267)	\$ 66,764
Item not affecting cash:		
Acquisition of equity investments	-	(2)
	(4,267)	66,762
Changes in non-cash working capital:		
Accounts receivable	(7,278)	1,857
Goods and Services Tax recoverable	(1,762)	889
Prepaid expenses	7,203	1,027
Accrued interest	-	37,674
Accounts payable and accrued liabilities	3,521	1,917
Employee deductions payable	(16,543)	(3,084)
Grants payable	20,862	23,175
Deferred contributions	(1,200)	(21,254)
Deferred revenue	(500)	500
	4,303	42,701
Cash flow from operating activities	36	109,463
INVESTING ACTIVITIES		
ESMF loan receivable issued	(55,000)	(170,062)
ESMF loan receivable repayment	163,234	138,209
Proceeds from guaranteed investment certificate	-	2,000,000
Cash flow from investing activities	108,234	1,968,147
INCREASE IN CASH AND CASH EQUIVALENTS	108,270	2,077,610
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,632,982	2,555,372
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,741,252	\$ 4,632,982
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 684,726	\$ 164,558
Term deposits	4,056,526	4,468,108
Prepaid credit card	-	316
	\$ 4,741,252	\$ 4,632,982

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

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 deposit accounts with interest calculated daily and paid monthly. The ability to draw funds from these accounts require a withdrawal notice within the applicable notice periods of either 31 or 60 days. These accounts 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 programming costs expense) at the time the related grant application is approved.

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.

(continues)

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 collectability 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, 2022

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.

During the year, the Society received the remaining \$1,208,000 of unrestricted funding per the Agreement.

The City of Edmonton approved ongoing annual grant funding of \$1,200,000, beginning 2023.

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.

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.

	2022	2021
Balance, beginning of the year	\$ 100,410	\$ 77,235
Grant commitments issued during the year, included in programming costs	199,861	210,533
Expired prior year commitments	(33,972)	(2,745)
Grants paid during the year	(145,027)	(184,613)
	\$ 121,272	\$ 100,410

These industry grants and rebates are to support activities in the industry and are expected to be fully utilized in 2023.

5. GOVERNMENT ASSISTANCE

In 2020, the Society 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, 2023. The Society will be repaying the funds before December 31, 2023. Subsequent to December 31, 2023, any remaining outstanding loan balance will be converted into a three-year term loan with interest of 5% per annum maturing December 31, 2025.

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

6. 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 the following projects.

	2022	2021
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 by all investors, the society will receive a royalty specified at 30% of the project revenue on an ongoing basis. The society has committed to funding the lesser of (a) 120,000 or (b) 15% of the final cost of the project. At year-end \$102,000 has been funded.	\$ 102,000	\$ 72,000
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 by all investors, the society will receive a royalty specified at 34% of the project revenue on an ongoing basis. The society has committed to funding the lesser of (a) \$125,000 or (b) 14.5% of the final cost of the project. At year-end \$100,000 has been funded.	100,000	75,000
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 by all investors, 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 \$100,000 had been funded and the society has recouped \$94,067.	5,933	14,030
Loan receivable bearing interest at 5.95% per annum, repayable in quarterly blended payments of \$14,662. The loan matures on February 3, 2023 and is secured by a general security agreement. During the year the Society forgave \$22,500 of the loan receivable.	5,831	84,379
Loan received in the year. Upon full recoupment by all investors, the Society will receive a royalty specified at 17% of the project revenue on an ongoing basis. At year-end the balance of the loan had been recouped.	-	76,589
	213,764	321,998
Amounts receivable within one year	(81,764)	(146,307)
	\$ 132,000	\$ 175,691

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

7. 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: promotion of esports, promotion of Edmonton locations, Gil Cardinal Legacy Award, and Edmonton Screen Media Fund.

	Government grants	Other grants	2022	2021
Balance - beginning of year	\$ 3,960,376	\$ 15,000	\$ 3,975,376	\$ 3,996,630
Explore Edmonton contribution received	-	20,000	20,000	40,000
Canada Summer Jobs grant	-	-	-	18,088
Province of Alberta funding	1,474	-	1,474	3,250
ESMF returns allocated to the Fund	1,300	-	1,300	3,205
ESMF - Loan forgiveness	(22,500)	-	(22,500)	-
Contributions recognized	(1,474)	-	(1,474)	(80,651)
Contributions repaid	-	-	-	(5,146)
	\$ 3,939,176	\$ 35,000	\$ 3,974,176	\$ 3,975,376

8. 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 \$1,635, subject to annual review. Operating costs were reduced from \$1,685 to \$1,635 for 2022 and will remain the same for 2023 until such a time the annual operating costs are reviewed again by the City of Edmonton. Future minimum lease payments as at December 31, 2022, are as follows:

2023	\$ 6,540
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9. 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.

	2022	2021
Interest income earned on the ESMF fund	\$ 100,937	\$ 36,371
ESMF returns	1,300	3,205
Application fee revenue	-	1,500
Gain on ESMF investment	-	2
Programming costs	(6,729)	(42,478)
	\$ 95,508	\$ (1,400)

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

10. 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, 2022. 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. The Society does not have an allowance for doubtful accounts as at year end (2021 - \$nil).

11. SUBSEQUENT EVENTS

Subsequent to year end, the City of Edmonton approved the Society's proposal for realignment of the Edmonton Screen Media Fund to the Strategic Initiatives Fund.