

1999-2000
ANNUAL REPORT



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BOARD MEMBERS

as at March 31, 2000

Laurier L. LaPierre, O.C.

Chairman
Ottawa, Ontario

Jeanine C. Beaubien, O.C.

Vice-Chairperson
Montréal, Quebec

Elvira Sánchez de Malicki

Chairperson
Audit and Finance Committee
Etobicoke, Ontario

Bluma Appel

Member
Toronto, Ontario

Ron S. Bremner

Member
Calgary, Alberta

Sandra Macdonald

Member ex officio
Government Film Commissioner
Montréal, Quebec

Louise Pelletier

Member
Montréal, Quebec
Joined Telefilm Canada's Board on May 15, 2000

SENIOR MANAGEMENT

as at March 31, 2000

François Macerola

Executive Director

Peter Katadotis

Director – Canadian Operations

Danny Chalifour

Director – Finance and Administration

Danielle Dansereau

Director – Communications
and Public Affairs

Guy DeRepentigny

Director – Policies, Planning
and Research

Deborah Drisdell

Director – International Relations

Stella Riggi

Director – Human Resources

John Pelletier

General Counsel and
Corporate Secretary

LETTER TO THE MINISTER

Montréal, June 21, 2000

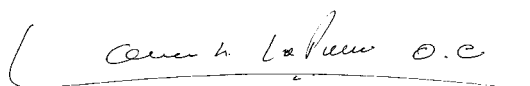
The Honourable Sheila Copps
Minister of Canadian Heritage
Ottawa, Canada

Dear Madam:

In accordance with the provisions of Section 23 of the *Canadian Film Development Corporation Act*, 1967, I have the honour to present to you, on behalf of the Board of Directors, the 32nd Annual Report of the Canadian Film Development Corporation (now called Telefilm Canada) as well as the financial statements for the year ended March 31, 2000.

Yours very truly,

The Chairman,

A handwritten signature in cursive script that reads "Laurier L. LaPierre O.C." with a horizontal line underneath.

Laurier L. LaPierre, O.C.

MANAGEMENT

as at June 21, 2000

François Macerola

Executive Director

OPERATIONS

Peter Katadotis

Director, Canadian Operations

MONTRÉAL OFFICE

Joëlle Levie

Director, Operations
Quebec

Pierre Even

Director, Business Unit
– Feature Film

Michel Pradier

Interim Director, Business Unit
– Television and Multimedia

TORONTO OFFICE

Karen Franklin

Director, Operations
Ontario
Interim Director, Business Unit
– Television

John Fulton

Director, Business Unit
– Feature Film and Multimedia

VANCOUVER OFFICE

Elizabeth Friesen

Director, Operations
Western Region

John Dippong

Director, Business Unit
– Feature Film

Lauren Davis

Director, Business Unit
– Television

HALIFAX OFFICE

Ralph Holt

Director, Operations
Atlantic Region

FINANCE AND ADMINISTRATION

Danny Chalifour

Director, Finance and Administration

Marina Darveau

Controller

Carolle Brabant

Director, Systems, Technology
and Contract Management

COMMUNICATIONS AND PUBLIC AFFAIRS

Danielle Dansereau

Director, Communications
and Public Affairs

POLICIES, PLANNING AND RESEARCH

Guy DeRepentigny

Director, Policies, Planning
and Research

INTERNATIONAL RELATIONS

Johanne St-Arnauld

Interim Director, International Relations

Sheila de La Varende

Director, European Office

HUMAN RESOURCES

Stella Riggi

Director, Human Resources

GENERAL COUNSEL AND CORPORATE SECRETARY

John Pelletier

General Counsel and
Corporate Secretary

TELEFILM CANADA: A CULTURAL INVESTOR IN FILM, TELEVISION AND MULTIMEDIA

Telefilm Canada's Mandate

Telefilm Canada's mission is to provide the industry with financial support and strategic leverage in producing high-quality works that reflect Canadian society, with its linguistic duality and cultural diversity, and ensuring their widest possible distribution in Canada and abroad.

Commitments: More Than \$160 Million for the Canadian Industry

Established in 1967 as a Crown corporation, Telefilm Canada this year allocated more than \$160 million towards the development and promotion of the Canadian industry. This sum is composed of a parliamentary appropriation, contributions from the Department of Canadian Heritage and receipts deriving from the Corporation's financial participation.

Acts and Agreements

Telefilm Canada reports to the Department of Canadian Heritage, and its activities reflect federal government policies. The Corporation's operations are governed by the *Canadian Film Development Corporation Act* and the *Financial Administration Act*, and its contributions to the industry are made in compliance with Treasury Board requirements.

The Corporation is further subject to the provisions of the following legislation: *Official Languages Act*, *Canadian Multiculturalism Act*, *Employment Equity Act*, *Income Tax Act*, *Privacy Act* and *Access to Information Act*.

The Corporation's funds and programs are administered in accordance with the Memoranda of Understanding and Contribution Agreements signed with the Department. They are subject to regular statutory assessment and internal evaluation.

Board of Directors

Telefilm Canada's Board is appointed by the Governor General in Council. It reports on its administration in an annual report that includes financial statements audited by the Auditor General of Canada. Telefilm's Board of Directors is composed of seven members.

140 Employees, Five Offices

The Corporation's offices in Montréal, Toronto, Vancouver and Halifax offer a wide range of services to clients in their respective regions, fostering creative endeavours throughout the country.

Through its office in Paris, the Corporation provides valuable expertise for implementing strategies to develop new international partnerships and markets.

Telefilm Canada has 140 employees working in six divisions: Canadian Operations, Finance and Administration, Policy, Planning and Research, Communications and Public Affairs, International Relations and Human Resources.

Extensive Support for National and International Industry Activities

Telefilm Canada administers fifteen different funds and programs. For the most part, the Corporation's resources are devoted to developing and producing television programs, feature films and multimedia products.

The Corporation helps to expand audiences for Canadian products through support for distribution, export, versioning, marketing, and industry promotion at festivals and markets.

Productions Supported by Telefilm Canada

Each year, the Corporation's support goes to develop and produce some 600 works in the following categories: theatrical feature films, television drama, documentaries, children's programs, variety shows and multimedia products.

Diversified Financial Support

Telefilm Canada provides financial support mainly in the form of investments but also as advances, loans, loan guarantees and grants. Telefilm shares production risks and revenues with the industry. Recouped amounts are reinvested in the industry.

Co-production Agreements:

Development Tools for the Industry

Telefilm Canada administers Canada's co-production agreements with 55 countries. These agreements serve as development tools for the industry in securing product financing and international distribution.



1997-2000 BUSINESS PLAN

Focus on Telefilm Canada's 12 Primary Goals

In November 1997, Telefilm Canada published a business plan for 1997-2000 entitled *Towards the New Millennium*. In it, the Corporation laid out 12 primary goals and some 100 strategies, which have served as the basis for its actions and activities during the past three years.

As this annual report attests, fiscal 1999-2000 proved crucial to achieving these goals. Each of the Corporation's divisions and its five offices contributed to fulfilling the business plan, in line with which the Corporation:

- strengthened support for works that are distinctively and identifiably Canadian;
- worked in collaboration with the Department of Canadian Heritage to ensure the renewal of the Canadian Television Fund from 1998-99 to 2000-01;
- increased the volume of Canadian television programs, feature films and new media works;
- improved the quality, marketability and competitiveness of Canadian feature films;
- encouraged regional production in both official languages, maintaining an appropriate balance;
- facilitated the Canadian public's access to Canadian television programs, feature films and multimedia products through professional marketing and promotional activities;
- multiplied business opportunities for Canadian producers and distributors in international markets and increased the visibility of Canadian products abroad;
- expanded support for small and medium-sized companies;
- supported the professional development of emerging Canadian producers, writers, directors and other talent;
- contributed to the development of the federal government's national and international policies and initiatives affecting the Canadian industry;
- delivered pertinent, effective programs and services to the industry, undertook to assess their performance by means of appropriate measures and made optimal use of existing expertise and infrastructures; and
- strengthened all forms of communication with the television, film and new media sectors, the various levels of government and the general public.

Eyes on the Future:

The 2000-2005 Business Plan

The Corporation will be issuing its new business plan shortly. Telefilm Canada is working on a longer-term basis than ever before, with a five-year plan for 2000 to 2005. A summary of the Plan will be available on the Corporation's website and at all Telefilm offices.

MESSAGE FROM THE CHAIRMAN

We have just entered a bold new millennium where the only constant is change. It is an era of innovation, one that demands new paradigms and new approaches but that presents new challenges as well.

The phenomenon of digital convergence is now integral to our lives, as new media deliver unprecedented ways of capturing our imagination. Interconnectivity has brought the world to our doorsteps, expanding our horizons and opening our minds. And in film, literature and music, the Internet has given us the ability to seek out works from far and wide. But with endless possibilities available at the click of a mouse, the cultural sphere has become increasingly competitive and myriad outlets vie for our attention.

Fortunately, we have a wealth of assets that make it a privilege to live in this country. Canada has an abundance of natural resources, its citizens are respectful, its institutions are strong and its culture is based on diversity and tolerance. Canadian culture is the personality of our country, the sum of our values, beliefs, ways of life, passions and hopes. It is what identifies Canada to the rest of the world and makes us the envy of many. But this does not necessarily mean that all is well.

Despite its many achievements, Canada's television industry – indeed, our cultural industry in general – can never rest on its laurels. Although Canada is one of the world's largest exporters of television programs, our producers still face the difficulty of telling Canadian stories to Canadian audiences with financial resources far inferior to those enjoyed by their counterparts in the United States. And while Canadian feature films are lauded on the international festival circuit, their share of Canadian screen time at home remains woefully small.

Canada has the duty to protect its culture. Our film, television and new media products reflect our rich cultural diversity and allow us to discover a multitude of points of view and realities that we would not otherwise encounter. We must continue to ensure that our nation's cultural values, history and traditions will be preserved for generations to come. And to ensure that Canadian creators have the means to push back the boundaries of our imagination, foreshadowing tomorrow's realities in today's tendencies.

Telefilm Canada, with its long experience, strong national presence and contacts throughout the world, must continue to promote Canada's cultural diversity and cultural sovereignty. These issues are paramount, and without them, there can be no Canadian content.



A Call for New and Daring Perspectives

LAURIER L. LAPIERRE, O.C.

There are undoubtedly repercussions on Canadian culture when our screens – including those of our computers, thanks to the Internet – are increasingly filled with foreign content. But new media also provides us with the means to portray our country and people in ways that were unimaginable just a short while ago. Documents of national importance, timeless works, and images from our history can be made readily accessible at all times. This is just one example of the fields in which Telefilm Canada and the Canadian industry must be prepared to take risks and consider new perspectives.

We are as good as anyone else at telling stories, if not better; the real problem has long been about reaching critical mass. And in order to achieve this, we must invest in our future. Canadian storytelling – Canada's voices and images – will endure only if we support new ways of telling and new creators to tell.

Imaginative newcomers and small and medium-sized businesses form the cornerstone of the future. To be at the forefront of any sector, it is essential to develop and promote emerging talent through diversified programs in all regions of the country. Young Canadian creators must be able to grow and successfully position themselves in a rapidly evolving global environment. For companies, the Corporation announced in June 1999 that it would be directing its resources chiefly to SMBs, as their development, both at home and abroad, is the best long-term guarantee of industry success.

1999-2000: Resounding Success for Canadian Works

Canada's television, feature film and multimedia industry once again entertained and moved us, while appealing to domestic and international audiences alike.

This year saw several firsts for Canadian cinema. With Alexander Petrov's *The Old Man and the Sea* taking the Oscar for Best Animated Short Film and François Girard's *The Red Violin* receiving the Oscar for Best Original Score, Canada cemented its already prestigious reputation in the international film community. The industry also had reason to celebrate this spring when Denys Arcand's *Stardom* was selected to close the 2000 Cannes International Film Festival – a Canadian first! One of the year's hit came from the Atlantic region: Rodrigue Jean's *Full Blast*, the first Acadian feature made in French. Aboriginal filmmakers also passed a milestone with *Atanarjuat (The Fast Runner)* by Zacharias Kunuk and Paul Apak Angilirq, Canada's first feature film entirely written and produced in an Aboriginal language, Inuktitut.

Television producers from coast to coast contributed programs that illustrate the many aspects of the Canadian experience. Popular series continued to enthral audiences, while new dramas demonstrated that our capacity for taking chances on fresh talent and concepts remains undiminished. In all cases – drama, documentaries, children's programs, variety and performing arts shows alike – Telefilm financed works that reflect Canada's cultural diversity, including regional productions and projects made in official-language minority situations. Aboriginal creators also made their mark with stories that artfully examine native traditions and cultures, told in English, French and a dozen of different Aboriginal languages.

Among the year's broadcast success stories are *Fortier*, *Gypsies*, *Caserne 24*, *Made in Canada II*, *Anne of Green Gables: The Continuing Story*, *The Holier It Gets*, *Traders*, *Crimes of Honour*, *Lunatiques*, *Incredible Story Studio*, *Trial by Fire – A North of 60 Mystery*, *Milgaard*, *Stories From the Seventh Fire* and *Da Vinci's Inquest*.

Canada's multimedia industry pursued its remarkable growth. Indeed, the industry's output is such that Canada is now the fifth-ranked producer of multimedia products in the world, right behind the United States, Germany, France and the United Kingdom. This year's excellent projects include the new adventures of Mia Mouse in *Mia II : Le Mystère du chapeau perdu*, an interactive, animated CD-ROM enjoying international success, *Monster by Mistake* and *Buddy Brush and the Painted Circus*.

Canadian Television Fund: A Team Effort

For the past four years, Telefilm Canada, through the Canadian Television Fund's Equity Investment Program, has provided record support for the development of distinctively Canadian television, with exceptional results. However, despite our overwhelming success, this public-private partnership must evolve to better respond to the needs of our clients. One thing is certain, though: Telefilm Canada will continue to play a dynamic role in the television sector and to actively support the creators who reflect our lives with enriching imagination.

Board of Directors

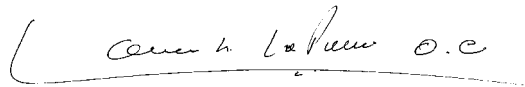
Telefilm Canada was deeply saddened by the death of Laéitia Cyr, Vice-Chairperson of the Board, in September 1999. An Acadian from New Brunswick, Mme Cyr gave eloquent voice to the particular needs of French-speaking Canadians outside Quebec and worked tirelessly to promote the productions and talents of her native region. The vision, dedication and grace that she brought to all things will be remembered.

1999 also saw the passing of another great figure of the arts community, Gratien Gélinas. M. Gélinas was a leading light on the Canadian cultural scene for 60 years. Renowned for his distinguished work in theatre, he was also the Corporation's second and longest-serving Chairman, from 1969 to 1978. Telefilm Canada and the Canadian industry owe much to his administrative skills and his boundless passion for cultural development.

In 1999-2000, two members took on added responsibilities. In December, Jeanine C. Beaubien was elected Vice-Chairperson of the Board and Elvira Sánchez de Malicki was elected Chairperson of the Audit and Finance Committee. I am also very pleased to announce that the Board now has a full complement, with the appointment of Louise Pelletier of Saint-Lambert, Quebec. Mme Pelletier is a well-known screenwriter with extensive knowledge of the Canadian television industry. We are proud to have her with us.

In closing, I would like to thank François Macerola and the entire Telefilm Canada team for their support and enthusiasm.

I also want to express my heartfelt admiration for all the professionals working in Canada's feature film, television and multimedia industry. Your vision and artistry are sources of inspiration to us all!



Laurier L. LaPierre, O.C.

AND NOW A WORD FROM OUR BOARD...



Bluma Appel

(Toronto)

“This has been another vintage year. Telefilm Canada can add a further feather to its cap – especially for its support of the Canadian new media industry. We are living in rapidly changing times, and Telefilm must continue to contribute to the careers

of our content creators. I can say without doubt that this is the best board I have worked with. Together, we form a dynamic and experienced group that shares a passion for promoting the Canadian cultural industry.”



Louise Pelletier

(Montréal)

“As a writer for television, I would like to see even more respect and recognition for creators. It is the creator’s vision that defines any work. Our audience identifies with homegrown television; it is a shared point of reference.

The more a work reflects its culture, the greater its audience appeal. I also believe it important that French-language creators be able to continue to work in their language and reflect the Francophone reality in North America.”



Jeanine C. Beaubien

(Montréal)

“Telefilm Canada fosters the production and distribution of excellent products in English, French and Aboriginal languages that have wide audience appeal in Canada and abroad. My wish, as Vice-Chairperson of the Board, is to see Telefilm remain in the

vanguard on cultural issues. Support for training and emerging talent is essential. And it is crucial to make young audiences aware of Canadian production, for they are the future of our culture.”



Elvira Sánchez de Malicki

(Etobicoke)

“I am pleased to say that Telefilm Canada, as a federal cultural agency, will be playing an important role in upcoming discussions on linguistic and cultural diversity. I am also extremely proud to have been appointed Chair of the

Audit Committee. Our responsibilities have been expanded in order to ensure that Telefilm carries out its mandate in an increasingly transparent and sound business manner.”



Ronald S. Bremner

(Calgary)

“It is exciting to be a part of the Board of Telefilm Canada. In today’s global marketplace, it is essential that we do everything we can to ensure that the special and unique stories of Canada are told far and wide. With a strong and improved distribu-

tion system and better marketing of Canadian feature films, we will not only keep Canadian cinema thriving but will also ensure that we are taking our rightful place on the world stage.”



Sandra Macdonald

(Montréal)

“As Government Film Commissioner, I bring to the Board of Telefilm Canada some experience in the development and implementation of film and television policy, and in the challenges of managing a federal cultural agency. One of my pre-

occupations is ensuring that the various financing partners in Canadian production are as consistent with one another as possible, so that the focus can be on creation, rather than on the deal.”

MESSAGE FROM THE EXECUTIVE DIRECTOR

For Telefilm Canada, 1999-2000 was an extremely demanding year, which saw a wide-ranging reassessment affecting both our administrative procedures and our role in relation to the industry. But beyond the many difficulties, the year was positive in that it allowed us to reaffirm the Corporation's unique role in Canada's cultural environment.

TELEFILM CANADA'S ROLE AS A PUBLIC AGENCY INVESTOR

Television: A Call for True Private-Public Sector Partnerships

What exactly is the Corporation's role as a public agency and cultural investor? Four years ago, the creation of the Canadian Television Fund (CTF), a private-public sector partnership, was seen as a remarkably innovative initiative. The Fund has been successful in many ways, and its financial resources continue to be crucial to the television and feature film industry. However, it has become increasingly apparent that this partnership presents certain drawbacks. This has led some to wonder whether, in a context of growing private investment, there is still room for public agencies. Should the administration of public funds be transferred to the private sector?

The conclusions of two reports produced this year, one by KPMG and the other by Silcox-Colbert, suggested, in fact, that Telefilm Canada should cease all investment activity in the television sector. To do so, however, would be to disregard more than 20 years of expertise that has been tried and tested on both the cultural and industrial fronts with results that are admired and envied by many industries the world over.

Moreover, I firmly believe that there is a place for true partnerships between the private and public sectors, for alliances that demonstrate respect for each partner's competence and experience, that guarantee the sound administration of public funds and that hold their administrators accountable. The process of renewing the Canadian Television Fund, slated for 2001-2002, can be expected to arouse intense debate on the issue of governance and on the Fund's methods of operation in general. Telefilm Canada will take part in this debate with the full enthusiasm, energy and, above all, experience of its teams from across the country.



FRANÇOIS MACEROLA

Feature Films: Towards a New National Policy

Feature films remain the "poor cousins" of the communications industry. They have been left to themselves, at the mercy of a fiercely competitive market, with no legislative framework or supervisory body, and with financial resources that are significant but nonetheless insufficient.

Over the course of the year, we worked with the Department of Canadian Heritage to develop a new film policy aimed at expanding audiences for Canadian films, increasing the financial resources available for each production and improving marketing practices for Canadian cinema. The results of this policy will not be felt immediately, but the context holds promise. Our industry can already count on exceptional creative talents and unique production and distribution expertise. The injection of new funds, in combination with goals that take cultural imperatives and market needs into account, could ensure that Canadian films finally take their rightful place on Canadian screens. Broadcasters and exhibitors will have an integral role to play in this endeavour, because producing feature films in Canada, as in every country, demands the collective efforts of all partners, whether they are involved in creating, producing or marketing.

It's time to stop segregating these medias. We must devise new models that are more far-reaching, more in keeping with the industry's real needs and with contemporary management performance requirements.

Focus on Media Convergence

This brings me to a key concept, that of digital convergence involving television, film and, of course, new media.

Telefilm has continued to demonstrate efficiency and skill in administering the Multimedia Fund since its creation in 1998. But the multimedia sector calls for further reflection, and the Fund will undergo an in-depth review during the coming year. We want to see the Fund better meet the needs of Canadians and make greater use of existing production and marketing infrastructures. Accordingly, our efforts will be directed to making old and new media converge.

Content

We are living in an era of knowledge and information highways, a combination that will continue to have untold new ramifications. Still, whatever the medium used to reach the public, the primary element will remain the project content and the stories it tells. Content will always be more important than the means of conveyance, and it must be relevant for the Canadian public. Telefilm intends to develop programs that encourage innovation and daring, programs that enable creators to express their world view through the use of the widest possible range of creation and delivery media and technologies.

1999-2000: Remarkable Results

The figures and information contained in this annual report eloquently demonstrate that 1999-2000 was a great year in terms of both products and investments, made directly by Telefilm or through the CTF Equity Investment Program.

I am very pleased to note that in many respects – number and quality of projects, support for small and medium-sized business, support for Aboriginal-language production, regional production, co-productions and international activity – this year has been one of very productive and exemplary, if not record, results.

And while achieving these results, we remained acutely attentive to the efficiency, transparency and accountability requirements set out in our 1997-2000 Business Plan.

Finance and Administration

This year, certain allegations of irregularities and mishandling of funds in the industry gave rise to a number of questions.

The Department of Canadian Heritage responded to this situation in a strongly proactive manner by commissioning a report on the management practices of federal support programs for the Canadian film and television industry. This report, which was made public in February 2000, portrayed Telefilm Canada in a favourable light while at the same time recommending pertinent avenues for change.

The report acknowledged that Telefilm Canada had been working consistently for several years to improve its management framework with respect both to policy, procedures and administrative controls and to human resources. However, it recommended that Telefilm accelerate the corrective measures already under way, notably the implementation of an audit plan, and that the Corporation work with the other organizations in the Canadian Heritage portfolio and external resources to refine its management practices.

Telefilm Canada promptly undertook to implement these recommendations, which are fully in line with its own concerns and previously initiated actions. Since 1998, in fact, the Corporation has been working with an accounting firm to develop a risk management policy and a new audit plan. We accelerated the process of revising our procedures and risk analysis mechanisms, with conclusive results. Telefilm's administrative structure not only withstood the test, it failed to reveal any significant weaknesses. Public funds are being administered correctly and financial resources are expended in the proper places. The few past exceptions should in no way cast doubt on the value of the existing system, the industry or the current approach to funding.

The Corporation now has a comprehensive audit plan that covers all aspects of its financing activities. This plan has been presented to the industry, and we will continue to work with Canadian Heritage, the Department of Finance and other government bodies to ensure the rigorous management of public funds.

»»» Implementation of Performance Measures

In order to better assess its performance in relation to business plan objectives and fulfil government accountability requirements, Telefilm defined seven strategic perspectives in 1998-99 concerning projects, companies, industry, government, organizational processes, financing and human resources. In light of the costs and resources required to institute the measures corresponding to these perspectives, the Corporation has opted for a gradual implementation approach.

Six measures were implemented this year. They deal with the annual rate of increase in financial resources, administrative expenses, resources devoted to communities in official-language minority situations, our contribution to international co-productions, overall co-production volume and the number of Telefilm-funded productions selected at festivals. Other performance measures will be put into place in 2000-01, and the Corporation will publish a report on this initiative.

Performance Tools

Telefilm further developed tools to improve its performance and maintain a critical viewpoint in assessing its activities and systems. We implemented an activity-based costing program that measures the cost/performance ratio of our initiatives. We upgraded the system that continuously monitors commitments and disbursements by fund and by program, on a regional and national basis. And we reviewed, updated and harmonized the reporting forms used in the various offices.

We also continued to document our policies and procedures and now have several reference guides for Telefilm employees and the industry dealing with financial management, production cost accounting, operations report audit, as well as a policy concerning companies in default.

Leading-edge Information Systems

Our information systems have to handle a growing volume of data and must be flexible enough to enable Telefilm to manage other funds, should the need arise. To this end, we have developed a three-year information technology master plan. We have also taken the necessary steps to speed up system operations, particularly during periods of heavy traffic, such as the submission of production funding applications.

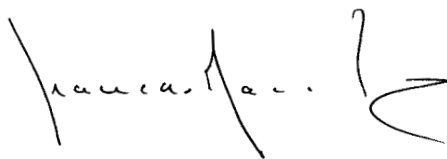
Outstanding Human Resources

Telefilm's human resources constitute its primary strength. They represent an absolutely exceptional wealth of experience, enthusiasm and dedication, which benefits the industry first and foremost, both at home and abroad. That said, we took concrete measures this year to officially acknowledge this fact. The Human Resources Division now reports to the Executive Director and is fully represented on the Corporation's Management Committee, thus enjoying the authority and capacity for action that are commensurate with its mission. This division is mandated to take the necessary steps to ensure that the Telefilm team develops its skills and versatility on an ongoing basis and to improve the quality and efficiency of the Corporation's human resources practices and policies.

Two members of Telefilm's Management Committee moved on this year: Suzan Ayscough, who was Director of Communications and Public Affairs, and Deborah Drisdell, formerly Director of International Relations. Jean Lefebvre, who headed the Festivals Bureau, took well-deserved retirement after a career devoted to the promotion of Canadian cinema.

It was my pleasure to welcome two new colleagues to the Management Committee: Stella Riggi, Director of Human Resources, and Danielle Dansereau, Director of Communications and Public Affairs.

I also want to thank the Chairman of the Board of Directors, Laurier L. Lapierre, O.C., Jeanine C. Beaubien, Vice-Chairperson of the Board, Elvira Sánchez de Malicki, Chairperson of the Audit and Finance Committee as well as the other members of the Board. My thanks go as well to the entire Telefilm Canada team.



François Macerola

1999-2000 FROM COAST TO COAST

ATLANTIC REGION

FORTIER

d. François Gingras, Erik Canuel
Aetios Productions
Each week, more than 1,850,000 television viewers follow the adventures of psychologist Anne Fortier, member of an elite police squad which investigates unusual crimes. On occasion, the show has even managed to attract a weekly audience of more than 2 million.

In 1984-85, its first year of operations, Telefilm's office in Halifax allocated \$215,000 to projects with budgets totalling \$435,000. Since then, the Atlantic industry has grown considerably. In 1999-2000, the Corporation provided \$8.5 million for projects in that region, with total budgets of \$36 million. All genres were prominent in productions emanating from the four Atlantic provinces: in dramas, with *Made in Canada II*, a caustic series on the wonderfully wicked world of film and television; in children's programs, with *Eckhart*, an animated series that



ECKHART

d. James Miko, John Collins
Cellar Door Productions/
Catalyst Entertainment
Set in Prince Edward Island, this delightful animated series, co-produced with Hong Kong, has been sold to several countries and territories, including Africa, France, Germany, Italy, Poland, Portugal, Spain and the Middle East. The program will be broadcast on Teletoon in the fall.

illustrates the many enchantments of Prince Edward Island through the eyes of a field mouse, and the French-language series *Lunatiques*, which takes its juvenile audience into a wacky futuristic universe; in documentaries such as *Porta White*, *Think on Me*, a portrait of the black classical songstress from Nova Scotia who conquered the world in the 1940s; in Aboriginal productions, with the deeply moving *Hebron Relocation*, a glimpse of life in a native community of the 1950s; and in multimedia, with *Earthmission Climate Change Strategy Game*, a computer simulation that allows teens to influence the factors that affect climate change and control Earth's destiny. Feature film activity in the region continues to blossom, with works by emerging talent such as *Rosemary House (Violet)* and *Andrea Dorfman (Parsley Days)*. The Atlantic office also invested in future success with the creation of the Emerging Filmmakers Program, which provides funding for the production and completion of early professional works.

QUEBEC

Banking on excellence and innovation, the Quebec industry chalked up impressive hits in 1999-2000. Popular new drama series such as *Fortier* and *Gypsies*



drew loyal followings, the quality of returning series such as *Diva* and *Caserne 24* remained high, and new dramatic concepts like *2 Frères* and *La Vie, la Vie* made their appearance. Children's productions continued to delight young French-speaking audiences, with Telefilm's vital contribution helping to bring back programs like *Cornemuse* and *Le Retour des débrouillards* for another season. Documentaries experienced a boom with projects reflecting Quebec's culture and cultural diversity. These range from *auteur* documentaries (including *Barbeau libre comme l'art*) and documentary series (such as *Une Révolution tranquille*) to scientific works like *Anima* and *Oppression*. The office participated in a number of Quebec productions in English, such as *Heart: The Marilyn Bell Story* and *Dr. Lucille: The Lucille Teasdale Story*. In film, the office maintained its support of seasoned directors (Charles Binamé and Pierre Falardeau), helped discover new talent like Michel Jetté (*Hochelaga*) and Philippe Falardeau (*La Moitié gauche du frigo*), and backed co-productions like *En vacances* and *The Favourite Game*. Finally, Quebec creators continued to shine in the multimedia arena with games and edutainment products, as seen in works like *Cosmic Cinema* and *Le Monde selon Hemingway* and the marketing of the CD-ROM series starring Mia Mouse. As for French-language production outside of Quebec, Telefilm supported a record number of projects across the country.

ONTARIO

In 1999-2000, the Ontario office invested in a wide variety of feature films. World-renowned theatre and film director Robert Lepage made his first English-language feature, *Possible Worlds*, based on John Mighton's stageplay; Clement Virgo directed his long-awaited second feature, *Love Come Down*, starring music sensation Deborah Cox; John Greyson completed his fourth feature *The Law of Enclosures* with Sarah Polley; and Colleen Murphy followed the international success of her first feature *Shoemaker* with *Desire*, a co-production with Germany. As for the previous year's investments, *The Five Senses*, *New Waterford Girl* and *eXistenZ* went on to make splashes at festivals around the world. Ontario's television industry remained at the forefront with dramas such as *Drop the Beat*, with its spotlight on emerging hip-hop stars plus an innovative and ground-breaking website, and part three of the *Anne of Green Gables* saga with the talented Megan Follows. Documentaries are always a key focus, and a number of projects including *Crimes of Honour* and *The Holier It Gets* received critical acclaim and took home awards. Among the many children's projects was the UK co-production of the classic *Watership Down*. On the multimedia front, the many projects financed include outstanding on-line sites for children. Telefilm financed two new offerings for the highly successful *Nikolai's Adventures* CD-ROM series as well as its global marketing campaign. *Monster By Mistake* is an interactive website based on the popular animated TV series of the same name. The office provided financing for the site and a marketing plan featuring interactive launch parties, a cross-media advertising campaign and merchandise partnerships for the site's e-commerce facility.



WESTERN REGION



This was a year of acclaim for the Western production industry. The controversial TV movie *Milgaard* and the drama series *Da Vinci's Inquest* took home Gemini's, while other programs made in the West continued to score high audience ratings. Feature-length *Trial by Fire – A North of 60 Mystery*, for example, drew 1,087,000 viewers, while *Champions of the Wild III*, an ongoing series, recorded sales in 16 countries and territories. Western Aboriginal production made its mark with the enduring success of *Stories from the Seventh Fire*. This animated children's project racked up numerous awards and was selected and screened at such diverse events as the American Indian Film Festival in San Francisco and the Sami Film Festival in Finland. Support for emerging filmmakers continued to be a top priority, with contributions going to the debut features of four directors and development initiatives like the National Screen Institute's (NSI) Features First program. Reconfirming the pertinence of investments in first outings was Scott Smith's *Rollercoaster*, a hit on the film festival circuit. The Western office invested in two new titles for the popular *Buddy Brush* CD-ROM series, which, since its launch at the E³ market, has been licensed to seven international partners and signed for distribution by mass and specialty retailers in Canada and the United States. And as always, the Asia-Pacific Initiative Program continued to open doors to new alliances and opportunities for the entire Canadian industry.

CHAMPIONS OF THE WILD IV

d. Various
Omni Film Productions Ltd.
This popular program looks at the special bond that exists between animal activists and the animals they champion. Series one, two and three have been sold to numerous countries and territories around the world, including the U.S., the U.K., Europe, Latin America, South Africa and Asia. Series four will be broadcast on the Discovery Channel, and production of the fifth and final season begins in September 2000.

POSSIBLE WORLDS

d. Robert Lepage
The East Side Film Co./
In Extremis Images
Celebrated director Robert Lepage's first English-language film is a unique and fascinating blend of science, philosophy and tabloid sensationalism. The feature will receive its world premiere at the 2000 Venice Film festival and its North American premiere at the Toronto Film Festival.

UNFORGETTABLE CANADIAN STORIES AND IMAGES

Canadian Portraits

This year's production features a striking array of portraits of famous Canadians. From Northop Frye, one of Canada's greatest minds, to Sylvie Fréchette, 1994 Olympic gold medalist, and Louise Arbour, chief prosecutor of the International Criminal Tribunal for the former Yugoslavia and Rwanda, the list of those portrayed by Canadian directors includes comedians Leslie Nielsen and Mary Walsh, politician Jean Drapeau, crusader Henry Morgentaler, philosopher Marshall McLuhan, Winnipeg author and feminist Nellie McClung, painter Marcel Barbeau, famed hockey players Manon Rhéaume and the Esposito brothers and finance mogul Ted Rogers. Also profiled are Dr. Lucille Teasdale, who worked for more than 30 years in Uganda, champion swimmer Marilyn Bell and Canadian actor and writer William Shatner, *Star Trek's* unforgettable Captain Kirk.

LOVE COME DOWN

Directed by Clement Virgo, *Love Come Down* is a gripping tale of two brothers, one white, one black, who have served as one another's keeper since their family was tragically torn apart a decade earlier.



EN QUÊTE DE JEAN DRAPEAU

This three-hour documentary looks at the man who transformed Montréal into a truly international city. Broadcast on Radio-Canada shortly after the celebrated mayor's death, *En quête de Jean Drapeau* was unanimously praised by the critics for its importance and relevance.

Land of Diversity

Canada is a multicultural nation in which the voices of many communities are heard. In *The Saint Soldier* we meet Vancouver's Sikh community, the largest such group outside of India. *A Scattering of Seeds: The Creation of Canada III* salutes the unknown immigrants who chose Canada as a land of new opportunity for their families. In the feature film *Love Come Down*, director Clement Virgo turns again to the black community with the story of two brothers, one white, the other black. At times the face of multiculturalism is that of people seeking their roots, seen in moving reunions with landscapes, families and culture filmed by Canadian crews. Or it may be a fresh perception, such as the look at young Canadians that Jon Einarsson Gustafsson, who came here from Iceland in 1997, delivers in his feature film *Kanadiana*.

History Rich in Events and Characters

History, be it Canadian or other, is a source of fascination for creators and audiences alike. It is dealt with in *Flightpath*, chronicling important moments in Canadian aviation; *Island of Shadows*, on the tragic destiny of Chinese lepers on Île d'Arcy (1891-1924); *Camp X*, North America's first training camp for spies, in the Maritimes; *Anticosti au temps des Menier*, a page from the history of a mythical island; and *Out of the Fire*, in which a Jewish photographer who escaped the death camps and has lived in Canada for 50 years finally tells her story. History is also at the heart of Pierre Falardeau's feature film *15 février 1839* and of *Un pacte, un pays*, a CD-ROM production. Occasionally it recounts daily battle, such as that of JoAnn Mayew, whose struggle for human rights cost her seven years in prison.

Saluting La Francophonie

1999 was the Year of La Francophonie, a fascinating subject that inspired Canadian filmmakers to produce a variety of works on the evolution of French-speaking peoples throughout North America – in Acadia, Manitoba, Ontario, Louisiana, the Northwest Territories and the Yukon – and on the challenges that market globalization presents for Francophones on this continent.

Aboriginal Peoples in the Spotlight

With support from APTN, the national Aboriginal television network, and the Canadian Television Fund, Aboriginal creators are increasingly expressing their culture in English, French and their native languages. The Inuit are featured in *Kikkik*, reconstructing the events that led to the end of their nomadic way of life, and in *Inuit Piqusingit*, which demonstrates their past and present means of survival. *I'tusto: To Rise Again* focuses on the Namgis Band in British Columbia, illustrating the role of community centres in the Aboriginal way of life, while *The Fairy Faith* reveals the exuberant spiritual world of the Cape Breton Mi'kmaq. In other works we discover legends of the circumpolar peoples, the struggle of a woman fighting for Aboriginal pride after her son's suicide, an investigation of Canada's 50 Aboriginal languages, some of which are on the brink of extinction, and communities such as the Sto:lo people, whose ancestral lands in British Columbia have been sectioned by a highway.

Topical Themes

This year's bill of fare also includes topical subjects such as ecology, the brain drain, parent-children relationships, gambling addiction, life in the city, education, the criminal mentality, police forces, the war on drugs, the role of the media, our fascination with new technology, the future of the human race and exciting works like *Cod: A Biography of a Fish that Changed the World*, which recounts a millennium of human life, and *Insectia – Le jeu*, a CD-ROM dealing with the environment. Feature filmmakers, for their part, turned the camera on the human condition with sometimes caustic, sometimes hilarious results.

Windows on the World

Canadian creators are open to the world, this year bringing a Canadian perspective to bear on the children of Romania, Pinochet's Chile, Cuban boxing champions, women in the African workplace, Tamil immigration, the Mayas of Mexico, animal rights activists around the world and universal characters, not least of which Santa Claus. Under the theme "Tomorrow's peace begins with today's friendships," *La Danse des enfants* moves to the rhythm of fifteen dance troupes from a dozen countries gathered in Beauport, near Quebec City, to celebrate the new millennium. Elsewhere, the search for solutions to global problems led directors to compare Canada's worldview to that of experts from Brazil, India, the United States, Hong Kong and Russia.

For further information on the most recent Canadian productions, see Telefilm Canada's television, feature film and multimedia catalogues.

KIKKIT

d. Ole Gjerstad
Words & Pictures Videos
In 1958, as famine strikes the Inuit of Canada's Central Arctic, Kikkik is charged with murder and criminal negligence. This docudrama recreates her trial and follows her surviving children, now in their fifties, as they recall the events that effectively ended the Inuits' nomadic life.





DOCUMENTARY IMMERSION WORKSHOP - PARIS, NOVEMBER 1999

Twenty-eight Canadian producers met more than 50 French industry players, among them the leading documentary directors, producers, television broadcasters and distributors



RECEPTION MARKING THE 50TH ANNIVERSARY OF THE BERLIN FILM FESTIVAL, FEBRUARY 14, 2000

Alexander Thies, Executive Director of Neue Produktion GmbH, and Gabriela Pfaendner, Executive Director of Neue Filmproduktion TV GmbH, producers of the Canada-Germany co-production *Bonhoeffer*, a feature which received its world premiere that evening. Also pictured are Pat Ferns, President and CEO of the Banff Television Festival, and François Macerola



CANADA-FRANCE MIXED COMMISSION IN MONTRÉAL, JANUARY 2000

Deborah Drisdell, former Director of International Relations, Telefilm Canada, Jean-Pierre Hoss, former Director of International Relations, Centre national de la cinématographie (CNC), François Macerola, Executive Director, Telefilm Canada, and Michel Romand-Monnier (CNC)

WORLD PREMIERE OF THE TELEVISION MOVIE *Dr. Lucille: The Lucille Teasdale Story* AT THE NATIONAL ARTS CENTRE, OTTAWA, MARCH 15, 2000



Marina Orsini, actress, Dr. Piero Corti, Lucille Teasdale's husband, and Dominique Corti, their daughter



Laurier L. LaPierre, O.C., Chairman of Telefilm Canada, and the Honourable Sheila Copps, Minister of Canadian Heritage



His Excellency André Jacquet, South African High Commissioner in Canada, Madame Aline Chrétien and Laurier L. LaPierre, O.C.



**BANFF TELEVISION FESTIVAL,
JUNE 2000**

Greg Coyes, Aboriginal Jury President, congratulates Doug Cuthand, winner of the Telefilm Canada/APTN award for best Aboriginal production in English or French for his film *Circle of Voices*.



***Stardom*, CLOSING FILM AT THE CANNES FILM FESTIVAL,
MAY 21, 2000**

François Macerola, Denise Robert, producer, Cinémaginaire, Denys Arcand, the film's director, Jessica Paré, actress, and Laurier L. LaPierre, O.C.



SCREENING OF *Stardom* AT RIDEAU HALL, OTTAWA, JUNE 8, 2000

François Macerola, Jessica Paré, actress, their Excellencies John Ralston Saul and Adrienne Clarkson, Governor-General of Canada, Denys Arcand, the film's director, the Honourable Sheila Copps, Minister of Canadian Heritage and Laurier L. LaPierre, O.C.



TELEFILM CANADA'S UMBRELLA STAND AT MIPCOM

During the year, some 70 companies participated in a Telefilm Canada stand at international markets, including MIPCOM at Cannes

**THE ACADEMY OF CANADIAN FILM AND TELEVISION'S
ANNUAL GOLF TOURNAMENT, HEADED BY
HONORARY CO-CHAIRMEN FRANÇOIS MACEROLA
AND DANIEL LAMARRE, JUNE 22, 2000**

**THE TOURNAMENT WAS HELD TO BENEFIT
THE ACADEMY AND STUDENTS OF THE INIS**

From left to right: François Macerola, Michel Trudel, President - Locations Michel Trudel inc., Mel Hoppenheim, President - Met's Cité du Cinéma, André Bureau, Chairman - Astral Communications, Louis-Georges Girard, actor, Pierre Roy, CEO - Les Chaînes Télé Astral, Louise Spickler, Executive Director of the INIS (Institut national de l'image et du son)



COMMITMENTS: \$160.7 MILLION

Support for activities in the Canadian film, television and multimedia sector

Telefilm Canada's commitments are contracts signed between the Corporation and Canadian private-sector companies for production, development, distribution, marketing, versioning, promotion, industrial development and professional training activities, including related administrative expenses.

In 1999-2000, these commitments amounted to \$160.7 million, which compares to \$172.4 million the previous year.

The decline is related in large part to the fact that the Licence Fee Program of the Canadian Television Fund administered its portion (\$7.5 million) of the CTF feature film envelope this year. Previously, this amount was administered by Telefilm. Commitments through the Feature Film Fund were also down (by \$4 million), a circumstantial result due to industry production cycles.

It should be noted that, depending on production schedules, the disbursements related to Telefilm commitments may be spread over more than one fiscal year. Thus, \$31 million of the \$160.7 million committed in 1999-2000 will be paid out during the next fiscal year.

Administrative Expenses

Administrative expenses amounted to \$15.1 million, representing 9.3% of the year's commitments. The Corporation views this percentage as a healthy performance, particularly as Telefilm administers five offices providing a wide range of customized services to its clients, manages fifteen different funds and programs tailored to industry needs in all regions and operates with a national and international mandate. Telefilm's activities and services constitute true added value for the Canadian industry, as attested by the industry's continued growth. It bears noting that administrative expenses are lower than in the early 1990s, when they stood at close to 12%.

As indicated with the twin asterisks on the 1999-2000 Commitments table, which appears on the next page, the relocation of Telefilm Canada's headquarters in November 1999 occasioned a one-time expense of \$1,958,000. In order to move to premises offering long-term savings, Telefilm was forced to sublet its previous offices at a reduced price. It should be noted that this move will save more than \$700,000 annually for the duration of the current lease. These savings will be reflected in the administrative expenses of future fiscal years.

>>> A Unique Model

Telefilm's model is unique in Canada and includes a national and international mandate. The administrative expenses for the activities and services provided by the Corporation to the industry in fiscal 1999-2000 amounted to \$15.1 million. During the same period, the Corporation's receipts deriving from its investments were far superior, totalling in excess of \$24 million. This amount was entirely reinvested in the industry. The receipts thus largely surpass Telefilm's administrative expenses and translate into increased productivity in the audiovisual sector.

TELEFILM CANADA'S COMMITMENT CAPACITY

Federal Government Contribution

Telefilm Canada's commitment capacity derives in large part from the federal government, as follows:

- A parliamentary appropriation of \$78.7 million
- Contributions from the Department of Canadian Heritage totalling \$58 million, including \$49.8 million for the Equity Investment Program of the Canadian Television Fund, \$5.8 million for the Multimedia Fund and \$2.4 million for national training schools

Receipts from Financial Participation

Recouped amounts deriving from Telefilm's financial participation exceeded \$24 million in 1999-2000. The Corporation's receipts contribute to the diversity of Telefilm support and the vitality of the Canadian industry. They are reinvested in the industry, permitting Telefilm to provide additional assistance for production and related activities. Every dollar of Telefilm's production investments translates into four dollars of production activity. Consequently, the receipts reinvested in production this year – \$17 million of the total \$24 million – represent in excess of \$60 million in additional production volume.

N.B.

The tables appearing herein refer to commitments made by Telefilm Canada in fiscal 1999-2000, i.e. to contracts signed by the Corporation.

Figures are rounded to facilitate consultation; however, the totals correspond to the full amounts.

1999-2000 COMMITMENTS

	Commitments for New Projects	Amendments to Commitments from Previous Years*	Total
	In millions of dollars	In millions of dollars	In millions of dollars
CTF – EQUITY INVESTMENT PROGRAM			
Production	92.5	-0.2	92.3
Development	3.8	0.4	4.2
Total	96.3	0.2	96.5
FEATURE FILM FUND			
Production	14.1	0.4	14.5
Development	1.6	0.6	2.2
Total	15.7	1.0	16.7
PRODUCTION REVENUE SHARING PROGRAM	1.5	0.5	2.0
COMMERCIAL PRODUCTION FUND	0.0	-0.2	-0.2
MULTIMEDIA FUND	5.9	0.0	5.9
OFFICIAL CO-PRODUCTIONS (MINI-TREATIES)	1.3	0.0	1.3
VERSIONING ASSISTANCE FUND	2.1	0.0	2.1
FEATURE FILM DISTRIBUTION FUND	10.2	0.7	10.9
OTHER FINANCING ASSISTANCE			
Regular Fund – Production and development	0.4	0.0	0.4
National marketing	0.8	0.0	0.8
International marketing	0.5	0.0	0.5
Participation in markets	0.8	0.0	0.8
Participation in foreign festivals	0.5	0.0	0.5
Grants to Canadian festivals	1.4	0.5	1.9
Industrial and professional development	1.9	0.2	2.1
Professional development – Training schools	1.9	0.9	2.8
Other forms of assistance	0.6	0.0	0.6
Total	8.8	1.6	10.4
ADMINISTRATIVE EXPENSES**	0.0	0.0	15.1
TOTAL	141.8	3.8	160.7

* Includes increases and decreases in commitments from previous years.

** Excludes expenses related to the Canadian Television Fund's Board of Directors and the loss on the operating lease.

Note: Results of additions do not always correspond to totals due to rounding.

HIGHLIGHTS



1999-2000 HIGHLIGHTS

TELEFILM CANADA: AN ACTIVE FORCE IN CANADIAN CULTURAL POLICY

Telefilm works in conjunction with all facets of the audiovisual community to ensure that the industry evolves in an environment favourable to the creation of diverse, culturally significant products.

In Canada, providing creative talents with the opportunity to express themselves and reach the public depends on a complex, dynamic system comprising an industry that produces Canadian content, a huge broadcasting system, and regulatory and financing agencies that demonstrate a political will to support Canadian content.

As a Crown corporation and partner to the industry, Telefilm Canada played an active role in developing public financing policy in 1999-2000, in particular with a view to a future national policy for feature films.



MADE IN CANADA II

d. Various
Salter Street Films Ltd.
Winner of the 2000 Gemini
Award for Best Comedy Series,
this biting satire offers an unfor-
giving look at the dog-eat-dog
film and television industry
while poking fun at the chaotic
world of office politics.

Television, Feature Films and Multimedia

In 1999, Telefilm Canada took part in the Canadian Television Fund consultations and participated in defining the Fund's 2000-01 guidelines. As the previous years had been fruitful in many respects, continuity was desirable, notably with respect to Canadian content requirements. However, in response to the industry's wishes, the CTF aimed for increased transparency, took broadcaster priorities into greater account and relaxed requirements for certain types of production such as documentaries, Aboriginal-language works, and co-productions; it further established incentives for SMBs, regional production and production in linguistic minority situations.

Although the creation of a new feature film fund was put on hold this year, Telefilm has continued to work on this priority dossier in collaboration with the industry and the Department of Canadian Heritage. A Telefilm Canada task force was mandated to develop a new financing model for feature films that would be more market-oriented and encourage boldness and performance. At the same time, the Corporation made optimal use of its available resources, resulting in high-quality projects and enhanced support for emerging talents, SMBs and the international activities of Canadian companies.

>>> In Touch with the Industry

Telefilm pays close heed to the audiovisual community. The Corporation's offices are in daily contact with the industry, and its five-year business plan, like its regional business plans, is grounded in their knowledge of the industry's financial, strategic and promotional needs. As well, Telefilm works in co-operation with industry associations such as the Canadian Film and Television Production Association, the Association des producteurs de films et de télévision du Québec, the Canadian Association of Film Distributors and Exporters and IMPAC, the new national multimedia association.

The Multimedia Fund, created in 1998, is crucial for an industry poised on the leading edge of new technology. In fiscal 1999-2000, the Department commissioned a study on the Fund's impact and performance, while Telefilm continued to work with the Fund's advisory committee and formed its own internal working group to gain a better understanding of multimedia market trends. The Corporation will take part in the statutory assessment of the Fund scheduled for 2000-2001. The Multimedia Fund can be expected to evolve over the course of the coming year, particularly as regards the financing instruments it offers the industry and the relative importance of the support it allocates to development, production and marketing.

Interventions at CRTC Hearings

Telefilm intervenes regularly at hearings held by the Canadian Radio-television and Telecommunications Commission (CRTC). In June 1999, the Corporation welcomed the CRTC's new broadcasting policy as a firm commitment to Canadian content, the CRTC having decided, among other things, to include regionally produced programs in the priority

>>> FOR A NEW FEATURE FILM POLICY Encouraging Market Focus and Daring

Telefilm and the Department of Canadian Heritage have developed the basis for a new feature film policy. Five goals have been identified:

- that Canadian cinema reach a broader audience, first domestically, then internationally
- that Canadian production be of the highest quality, culturally significant for Canadians and appealing to moviegoers around the world
- that production be increased to enable Canadian filmmakers to develop continuity in their work and to ensure a critical mass of Canadian films on Canadian screens
- that policies and programs encourage performance in the form of cultural and commercial success
- that new talent receive effective support and successfully position itself in a knowledge-based environment

program category and to encourage an increase in Canadian drama in peak programming hours. Telefilm had recommended that the CRTC maintain its broadcaster requirements, notably with respect to primetime viewing and drama, documentary and feature film programming.

In its submissions to the CRTC in 1999-2000, Telefilm focused on the need to encourage broadcaster support for regional production, Canadian cinema, cultural diversity, communities in linguistic minority situations and Aboriginal communities. The Corporation's interventions also emphasized the question of product availability in all regions and the growth of Canadian content in new technologies, including the Internet.

The International Scene: Expertise to Share

As a government agency of a nation that has taken a firm stand in favour of cultural diversity and signed co-production agreements with 55 countries, Telefilm Canada enjoys considerable international prestige. Canadian and foreign organizations and professionals frequently call upon its unique international expertise, and the Corporation plays an important role in regard to the international strategies of Canadian SMBs. The Corporation further acts as a development agent in audiovisual relations with Europe, Asia and the Spanish-speaking countries.

The export of Canadian cultural products is a federal government priority, and Telefilm works to this end with other federal and provincial agencies and with departments such as Industry Canada and Foreign Affairs and International Trade.



PRODUCTION AND DEVELOPMENT

An Outstanding Year

Canada's 1999-2000 production offers a fascinating, kaleidoscopic vision – sometimes sombre, sometimes bright – of modern urban life, characters in whom we recognize ourselves, excursions into a multi-faceted past, bold voyages into the heart of science and the future, and all the signs of humankind in ceaseless pursuit of happiness, recognition, achievement and justice.



To journey into Canadian television programs, feature films and multimedia products is to explore familiar and unknown lands, to go to the heart of human adventure as seen, expressed and interpreted by talented Canadians, be they from Moncton, Halifax, Saint John's, Montréal, Ottawa, Toronto, Winnipeg, Regina, Calgary, Vancouver or Nunavut.

These are the highlights of an outstanding year of bountiful creativity.

A New Record – 644 Television, Feature Film and Multimedia Projects

Fiscal 1999-2000 constitutes a record year in terms of television, cinematic and multimedia creation: 644 production and development projects were undertaken, compared to 503 in 1996-97, 506 in 1997-98 and 588 in 1998-99.

The entire industry – television, film and multimedia – was remarkably dynamic, proposing high-quality projects with varied Canadian content and broad audience appeal.

Telefilm Provides 24% of Budgets

The number of projects increased in both production and development. Telefilm supported 290 production projects and 354 development projects, with budgets totalling \$504 million. The Corporation's \$121-million contribution accounted for 24% of these costs.

The year's production generated close to 16,000 direct and indirect jobs across the country. Some 475 companies, most of them SMBs, enjoyed Telefilm's financial support.

Linguistic and Regional Breakdown: Positive Results

Telefilm provided equitable support for production in both official languages, as shown in the following table. The Corporation gives particular consideration to production in linguistic minority situations. This year it assisted 58 such projects with a contribution in excess of \$11 million, representing 9% of its production and development resources.

The mandate of the CTF also enables the Corporation to play an important role in respect to Aboriginal-language production. The works made this year give voice to fifteen different Aboriginal

MACK SENNETT, ROI DU COMIQUE

d. Jean Chabot and Pierre Pageau
Max Films Télévision inc.
Co-produced with France
This documentary examines the life of Quebec-born Mack Sennett, the early-20th-century pioneer of silent screen comedy who helped shape the American film industry. The program premiered at the Rendez-vous du cinéma québécois and was also screened at the Festival International du Film sur l'Art (FIFA) in Montréal.

DROP THE BEAT

d. Various
Alliance Atlantis
Communications Inc./
Back Alley Films
A showcase for hip-hop music and culture, this drama tells the story of Dennis and Jeff, a couple of twentysomethings faced with the challenge of producing their first campus radio show.

THE LIFE AND TIMES OF DR. HENRY MORGENTALER

d. Audrey Mehler
David Paperny Films Inc.
One of Canada's most controversial figures, Dr. Henry Morgentaler embarked on an ultimately successful crusade to change Canada's abortion laws. The program won the award for Best Biography at the 2000 Hot Docs Festival in Toronto.

languages, including Innu, Inuktitut, Dene, Ojibway, Cree, Oji-Cree, Kaska and Kwakwilt.

The portion of Telefilm resources devoted to regional projects – those from cities other than Montréal or Toronto – has grown steadily over the past four years, reaching 34% in 1999-2000. Of note is an increase in activity in British Columbia, Manitoba, the North and Prince Edward Island.

Development and Production

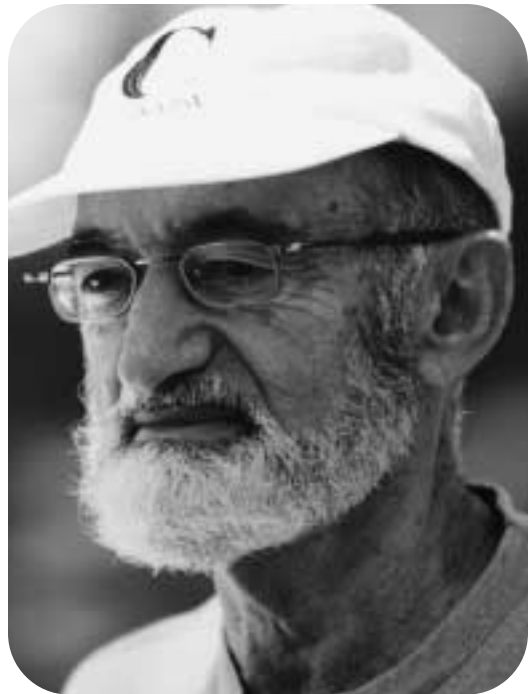
Linguistic Breakdown

Projects in English	65.6%
Projects in French	32.7%
Projects in Aboriginal languages	1.7%

Regional Breakdown

Quebec	36.8%
Ontario	31.3%
Western region	24.5%
Atlantic region	7.4%

Telefilm participation in projects from British Columbia reached a record high, totalling \$20.2 million, or 17.3% of all production and development resources. Audiovisual activity was also prolific in Manitoba, where the Corporation's contribution nearly tripled due to drama series such as *The Adventures of Shirley Holmes* and several major documentary projects, including the *Francophonies d'Amérique* series.



Multimedia Fund (\$4.3 million*)

Created in 1998, this fund provides support for the development, production and marketing of educational, edutational and entertainment multimedia products designed for the general public (* this amount excludes marketing projects).



HEBRON RELOCATION

d. Fran Williams
Okalakatiget Society
This documentary about the Inuit of northern Labrador is the first Aboriginal production from Atlantic Canada. It will be aired on the Aboriginal Peoples Television Network in the fall.

Production and Development Funds Canadian Television Fund – Equity Investment Program (\$96.5 million)

The CTF is a public-private partnership created in 1996 by the Canadian government and the cable industry. Telefilm administers the Fund's Equity Investment Program, which provides support for the television and feature film industry, including projects in Aboriginal languages.

Feature Film Fund (\$16.7 million)

Created in 1986, this fund supports the production and development of feature films for theatrical release made in English and French.

Added Development Assistance for SMBs

In 1999-2000, Telefilm allocated \$9 million to the development and writing of new projects, nearly 8% of the year's production and development resources. These activities ensure the ongoing renewal of Canadian content for television, movie theatres and new media products. In June 1999, Telefilm announced that its development resources were to be reserved exclusively for SMBs.

In announcing this, François Macerola said, "Small and medium-sized businesses are the cornerstone of the Canadian industry. They constitute more than 90% of Telefilm's clientele, and it bears remembering that the companies now publicly traded were SMBs not so long ago. Development is a high-risk activity. Our initiative will make more substantial resources available to more SMBs."

Telefilm Canada further partners with creators through:

- mini-treaties with France (\$1.3 million), in the form of resources for feature film and animation co-productions and television development;
- the Regular Fund (\$400,000), which mainly supports low-budget regional production;
- and the Production Revenue Sharing Program (\$2 million), available to SMBs for both development and production.

46 New Titles for Movie Theatres

Feature films are exemplary of Canadian creativity, and Telefilm Canada provides substantial support for such endeavours through five different funds and programs, among them the CTF's Equity Investment Program and the Feature Film Fund. This year the Corporation supported the production of 46 features, contributing \$22.6 million to their overall budgets of \$131 million.

The average budget of this year's projects was \$1.9 million, excluding the foreign share of Canadian minority co-productions.

The Corporation devoted 60% of its feature film resources to projects in English and 40% to projects in French from all regions of the country.

>>> The 1999-2000 feature film line-up includes well-known directors such as Robert Lepage, Charles Binamé, John Greyson, Anne Wheeler, Pierre Falardeau and Robert Favreau.

Also back, after notable first-film debuts, were Clement Virgo, Denis Villeneuve, Arto Paragamian, Gabriel Pelletier, Denise Filiatrault and John Fawcett.

Out in force with first features were new names to watch for in future: Rosemary House (Newfoundland), Andrea Dorfman (Nova Scotia), Pierre Gréco (Montréal), Jon Einarsson Gustafsson (Winnipeg), Leonard Farlinger (Toronto), Arne Olsen (Vancouver) and many more.

NATIONAL AND INTERNATIONAL PROMOTION OF CANADA'S INDUSTRY AND PRODUCTS

Telefilm Canada helps to expand audiences for Canadian products at home and abroad. The Corporation also encourages the Canadian industry's international partnerships, which open new markets. A variety of funds, programs and communications activities serve to effectively carry out Telefilm's mandate to promote Canada's film, television and multimedia industry. Close to \$20 million was allocated for this purpose in 1999-2000.



Feature Film Distribution Fund (\$10.9 million)

This fund is intended primarily for recognized Canadian distributors and provides assistance for the acquisition of distribution rights to Canadian feature films and related marketing activities.

Versioning Fund (\$2.1 million)

This fund serves to expand access to Canadian works by making them available in both official languages on television and in theatrical release.

LAURA CADIEUX...LA SUITE (LAURA IS BACK)

d. Denise Filiatrault
Cinémaginaire inc.
Having earned more than \$1.4 million at the box office, this film by well-known actress-director Denise Filiatrault is the sequel to her hugely popular first feature, which was also based on Michel Tremblay's play *C'tà ton tour* Laura Cadieux.

>>> Versioning

Forty-nine productions were versioned in one or other official language; 76% of the allocated amount went to versioning in French and 24% to versioning in English. Overall, 83% of commitments served to version television programs.

Canadian Production Marketing Assistance Fund (\$1.3 million)

This fund has a national component (test marketing, product launch, advertising and promotion) and an international component (promotional campaigns, ads in trade publications, marketing at markets, etc.).

Multimedia Fund – Marketing Component (\$1.6 million)

As previously mentioned, this fund has three components: production, development and marketing.

Canada Showcase (\$1.9 million)

Telefilm supports close to 30 Canadian festivals. All of these events include extensive Canadian programming, and several organize market activities and international forums.

Market Participation (\$800,000)

Telefilm took part in nine international television, film and multimedia markets held in France, the United States and Canada.

THE SAINT SOLDIER

d. Kathryn Newsom
Rocky Cove Pictures Inc.
Vancouver is home to the largest Sikh community outside of India. This program, which was broadcast across Canada on the CTV Network, profiles several Vancouver-area Sikhs and explores the challenges they face in preserving their identity.





**THE OLD MAN AND THE SEA/
LE VIEIL HOMME ET LA MER**

d. Alexander Petrov
Productions Pascal Blais
Based on Ernest Hemingway's celebrated tale *The Old Man and the Sea*, this stunning film has won a dozen prestigious prizes, including the 2000 Academy Award for Best Animated Short and the award for Best Film in IMAX 2D. The film consists of some 29,000 illustrations hand-painted in oil.

International Festivals (\$500,000)

The Corporation provides logistical and promotional support for the Canadian presence at international festivals. Telefilm maintains contacts with some 200 festivals in other countries.

Other forms of support (\$600,000)

Publications, events organization, promotion at festivals and markets, Telefilm's website and other activities help raise the Canadian industry's profile.

Marketing

Through the Marketing Assistance Fund, Telefilm provided \$800,000 for product marketing in Canada and \$500,000 for international marketing. The Multimedia Fund includes a marketing component (\$1.6 million this year), and the Feature Film Distribution Fund supports the marketing of Canadian feature films (\$3 million this year).



**DR. LUCILLE: THE LUCILLE
TEASDALE STORY**

d. Georges Mihalka
TVA International IV Inc.
Co-produced with South Africa
This television movie, which has been sold to some 15 countries, tells the remarkable story of Canadian doctor Lucille Teasdale. The film's premiere in Canada and Italy coincided with the launch of a fundraising campaign to benefit the Lucille Teasdale and Piero Corti Foundation.

Communications

Telefilm helps to raise industry visibility through publications – production catalogues, co-production and foreign industry guides, bulletins and directories – and ad campaigns at major markets and festivals. The Corporation also supports industry publications and events and helps to organize screenings for members of Parliament and foreign dignitaries in Ottawa, such as the presentation of *Dr. Lucille: The Lucille Teasdale Story* in March 2000.

**TRAINING AND PROFESSIONAL
DEVELOPMENT**

The long-term success of the industry depends not only on its capacity to produce and market high-quality products but also on the efforts that go to ensure ongoing professional development for its members and solid training for newcomers. The industry operates in a competitive, constantly changing environment, where knowledge is the key to performance.

Over the course of the year, Telefilm committed \$4.9 million in support of training and development throughout the country, compared to \$2.3 million the previous year.

Telefilm expanded the Industrial and Professional Development Fund, where commitments rose from \$1.1 million to \$2.1 million to support forums and training, professional development, research and promotional activities. The Department of Canadian Heritage increased the resources of the National Training Program in the Film and Video Sector, administered by Telefilm, enabling the Corporation to allocate \$2.8 million to national training schools, compared to \$1.2 million in 1998-99.

**Support for Over 50 Institutions, Associations
and Organizations**

The beneficiaries of these resources include four national professional training schools – Institut national de l'image et du son (Montréal), Canadian Film Centre (Toronto), National Screen Institute (Edmonton and Winnipeg) and the Canadian Screen Training Centre (Ottawa) – and close to fifty associations, festivals and cultural organizations, such as the Academy of Canadian Cinema and Television, the Alliance for Children and Television, Media-Jeune, Praxis Film Development Workshops, Aboriginal Visions and Voices, the Banff Centre for Media and Visual Arts, Hot Docs, the New Brunswick Filmmakers Co-op and Women in Film and Television/Femmes du film et de la télévision.

Outstanding Events

Two events bear particular mention. The Aboriginal Training Tour gave Aboriginal participants in a dozen Northern cities the opportunity to develop their audiovisual production skills, and an Immersion Workshop enabled French-speaking professionals from linguistic minority situations to meet with Montréal's French-language broadcasters. A first in Canada, this workshop was organized with the

Department of Canadian Heritage and the new Alliance des producteurs francophones du Canada to stimulate production in French outside of Quebec and facilitate its broadcast.

Programs for Newcomers

In fiscal 1999-2000, Telefilm contributed to developing new talent by means of various programs, several of which are administered jointly with other organizations. Among them are Drama Prize, Kick Start and Features First in the West; the Emerging Filmmakers Program in the Atlantic region; INIS scholarships in Montréal; and the Feature Film Project in Toronto. These initiatives benefited some twenty young producers, screenwriters and directors – names sure to be in lights in the near future!



INTERNATIONAL RELATIONS

A New Synergy for the New Millennium

1999-2000 saw major restructuring for the International Relations Division in order to ensure maximum synergy among the team's three main areas of activity: festival and markets, co-productions and the European office in Paris.

This restructuring responds to a new reality. The past three years have seen a substantial increase in the volume of Canadian activities in the international arena and a growing demand for International Relations expertise. The revamped framework underlines an ongoing commitment to develop a global international vision while consistently improving industry services, particularly for small and medium-sized companies.

International Co-productions

To date, 47 co-production agreements have been signed with 55 countries, including one new accord signed with Austria in 1999-2000. Co-production is a means to develop both moving and highly entertaining projects, as seen in such titles as *Dr. Lucille: The Lucille Teasdale Story*, *Stardom* and *The Worst Witch III*.

Telefilm is extremely proud that two Canadian co-productions, François Girard's *The Red Violin* and Alexander Petrov's *The Old Man and the Sea*, took home Oscars in March 2000.

Through a variety of initiatives, such as the mixed commissions with co-producing countries, Telefilm ensures that agreements are updated as needed to reflect industry developments. A mixed commission with France was held in January 2000 in Montréal, and Canada-France technical commission meetings will now take place on a semi-annual basis. We can look forward to an increase in the number of co-productions and the diversification of Canada-France relations to include multimedia ventures.

Certification of 100 Co-productions: Budgets in Excess of \$715 Million

This year, the Co-production Department certified 100 co-production projects representing total production budgets of more than \$715 million. Of these, 76 were television programs and 24 were feature films. France and the United Kingdom are Canada's leading co-production partners. Although the majority of Canadian co-productions are made with European countries, new partnerships are increasingly being forged with Asia. This year's projects involved 19 countries, including Germany, China, South Africa, Ireland, Australia and Hong Kong. Of special note is the marked increase in animation co-productions, which, with 51 projects, account for more than 50% of the year's co-production activity.



Telefilm Allocates \$9.8 Million to Co-productions

Each year, in addition to its certification responsibilities, Telefilm invests in a number of co-productions of particular cultural interest. In 1999-2000, the Corporation committed approximately \$9.8 million to the production of 28 such projects. As well, close to \$200,000 went to five co-production development projects, including three with France through the mini-treaty and two with the United Kingdom under the English-Language Cinema Plan.

THE HOLIER IT GETS

d. Jennifer Baichwal
Requisite Productions
Four adult siblings journey to the Indian Himalayas to disperse their father's ashes. First broadcast on TVOntario in April, this documentary won the awards for Best Independent Canadian Film and Best Cultural Film at the 2000 Hot Docs Festival in Toronto.

EN VACANCES

d. Yves Hanchar
Productions EGM/
Films des Tournelles
First released in France, this Canada-France co-production feature by acclaimed French director Yves Hanchar tells the story of three families who, over the course of 10 years, spend their annual summer vacations together.

Focus on SMB International Development

Fiscal 1999-2000 saw a number of initiatives in this area:

- Costs for SMBs using the Telefilm stand at European markets were reduced.
- The International Marketing program was reserved for SMBs.
- The Vancouver office co-ordinated SMB participation at the International Film Financing Conference (IFFCON) in San Francisco, an event that offers excellent promotional opportunities with Canadian, American, European and Asian buyers.
- The Atlantic office financed the Strategic Partners co-production conference at the Atlantic Film Festival to foster business relations between SMBs and Nordic countries.
- SMBs from all regions of the country took part in the Documentary Immersion Workshop organized in Paris by the European office.

LUNATIQUES

d. Chris Le Blanc and Paul Bossé

Productions Des Astres inc. In this children's series set in the future, humans have colonized Mars. However, Phobos, the Martian moon, knows nothing about humans. It's up to Luna, whose mission it is to preserve life, to help Phobos understand humans, their contradictions, their behaviour... in short, to understand life.

International Markets

Telefilm participated in nine markets in 1999-2000. Canada is a leading player at each of these events.

- Television: MIP-TV and MIPCOM in Cannes and NATPE in New Orleans;
- Film: the Berlin International Film Festival, the Cannes International Film Festival and the Independent Feature Film Market in New York;
- Multimedia: MILIA in Cannes, E³ in Los Angeles and MIM in Montréal.

Some 70 companies shared Telefilm's "umbrella stand" at international markets this year. Most are small or medium-sized firms, representing all regions of the country. Telefilm provides a full range of client services: hosting, promoting, logistics, organization of events and meetings, and participation in conferences and talks with foreign delegations and associations.

In this age of digital convergence, Telefilm Canada has accentuated its new-media presence.

Telefilm's stand hosted a full complement of 18 companies at E³, the world's largest interactive entertainment trade event. A survey of Telefilm's clients confirmed the pertinence of its multimedia market activities, leading the Corporation to confirm its participation at the 2000 ECTS (European Computer Trade Show) in London.

Markets allow Telefilm to increase its partnerships with professional associations, such as IMPAC (Interactive Multimedia Producers Association of Canada), federal departments and provincial agencies in order to maximize resources. The Canadian new media sector is in full growth, and this year Telefilm supported several initiatives to further its development, among them the MILIA launches of *Convergence* magazine and the IMPAC guide, *New Media in Canada*.



1,216 Entries in 90 International Festivals and Events

The International Festivals bureau continues to act as an agent for Canadian products in foreign events. In 1999-2000, International Festivals handled 1,216 entries in 90 international festivals and events – a jump from 1,171 the previous year. Canadian productions garnered more than 30 coveted international awards. The bureau facilitated the selection process by organizing screenings of 397 works for festival representatives. In addition, it enabled 69 Canadian directors to promote their works at major festivals, and collaborated in organizing retrospectives of Canadian cinema in such places as Mexico, France, Israel, Greece, the People's Republic of China, Austria, Portugal, Finland, the United States and Spain.

Canadian Festivals

Telefilm Canada supported 29 Canadian festivals in 1999-2000, allocating \$1.9 million to these events through the Canada Showcase program. This program assists major national events – the Montréal World Film Festival, the Toronto International Film Festival, the Vancouver International Film Festival and the Banff Television Festival – and 25 regional or specialized festivals that spotlight documentaries, shorts, arts programming, animation, works



for children, Aboriginal production, new media, experimental works and more.

Telefilm supports festivals that offer programming in the official minority language of the province where they are held. These include the *Rendez-vous du cinéma québécois et francophone de Vancouver* (British Columbia), the *Festival international du cinéma francophone en Acadie* (New Brunswick) and *Cinémental* (Manitoba), where audiences can screen films to which they otherwise would not have access.

Telefilm Canada Awards at Canadian Festivals

Telefilm presented 19 awards totalling \$147,000 in 12 Canadian film, television, video and multimedia festivals. The Corporation inaugurated its \$10,000 award for new media at the 1999 Atlantic Digital Media Festival (ADMF) on Cape Breton Island, Nova Scotia. The ADMF is an important competitive festival focused on new media creation.

These Awards recognize all production genres and talent from various regions and backgrounds. For example, there are prizes for emerging Canadian directors of shorts and medium-length creations as well as for Western and Atlantic production excellence. The Corporation also encourages Aboriginal production with two prizes awarded annually at Banff.

In 1999-2000, Telefilm Canada remodelled the Awards – highly regarded since their inception in 1996 – which are now often presented as cash prizes, of enhanced interest to creators.

ations in Hourtin, France, the first Babelsberg Film and Television Conference and the Conference of Latin American Film Authorities held in Madrid. Representation at these high-profile venues enabled Telefilm to reassert the important role the Canadian film and television industry continues to play in the development of major cultural and trade debates.

The office also helped to promote Canadian films in Europe by taking part in special screenings like *The Red Violin* launch, held in the grand auditorium of the Louvre.



After four successful immersion workshops for Canadian producers in the United Kingdom, the office inaugurated the first edition in Paris. Focused on building contacts between two booming documentary industries, this event gave 28 Canadian producers the unique opportunity to meet more than 50 French players, including leading producers, broadcasters, distributors and documentary directors.

Together with the Canadian High Commission in London, the European office organized a panel at the Toronto International Film Festival entitled “Stories Without Borders – New Approaches to Script Development.” The session attracted more than 100 festival delegates and featured an impressive group of European and Canadian film professionals.

The office was also active in organizing Telefilm Canada’s presence at international film festivals and markets such as Rotterdam, Berlin and Cannes. During the Cannes International Film Festival, it arranged four strategic breakfast meetings between Canadian and European producers.

Telefilm’s office in Paris is a source of strategic information, producing weekly press reviews, European industry guides and special publications that are widely appreciated, including the *Zoom International* newsletter, which provides 300 readers with in-depth European market information and analysis each month.

Asia-Pacific Initiative

Through the Asia-Pacific Initiative Program, created in 1998 and managed by the Western office, Telefilm Canada contributes to the development of Asian market opportunities. The efforts of the past three

THE FOUR SEASONS

d. Barbara Willis Sweete
Rhombus Media Inc./
Veronica Tennant Productions
Set to Vivaldi’s celebrated music, this ballet describes the four seasons in a man’s life. The production has been sold to Australia, Finland, Japan, Portugal, Singapore, Norway, Netherlands, Switzerland and the U.K. (BBC).

DA VINCI’S INQUEST II

d. Various
Haddock Entertainment/
Barna-Alper Productions
This series about a Vancouver coroner has earned both critical and popular acclaim. Winner of the 2000 Gemini Award for Best Dramatic Series, season two has drawn an average of 860,000 viewers per week.



European Office: A Dynamic Presence Abroad

Telefilm Canada’s European office in Paris is Canada’s window on the European film and television market, but it is also a strategic information centre for Europeans looking to partner with Canada.

During the past year, the European office participated in several prestigious international events, among them the 20th *Université d’été des communi-*

PORTIA WHITE: THINK ON ME

d. Sylvia D. Hamilton
Maroon Films Inc.

A singer of remarkable talent, Canadian-born contralto Portia White stole the hearts of Canadians and Americans during the 1940s. Her biography will be broadcast on Vision TV in the fall.



years regarding co-operation with the Republic of China are starting to pay off, as the number of co-productions in development has been rising consistently since 1998.

With the co-operation of the Canadian Consulate General in Shanghai, Telefilm created a retrospective of nine Canadian films for the 1999 Shanghai International Film Festival. The Canadian Film Showcase was hailed as the most successful event of the Festival, and *The Red Violin*, a featured work shot partly in Shanghai, was ranked as one of the ten must-see films.

TELEVISION



CANADIAN TELEVISION FUND EQUITY INVESTMENT PROGRAM

Projects contracted – Production, scriptwriting and development

	Number of projects*	Total Budgets** In thousands of dollars	Telefilm Canada In thousands of dollars	Linguistic Breakdown %
FRENCH				
Production	81	126,478	28,867	
Amendments – production***	–	–	-133	
Subtotal	81	126,478	28,734	
Scriptwriting and development	59	4,103	1,417	
Amendments – development***	–	–	253	
Subtotal	59	4,103	1,670	
Subtotal – French	140	130,581	30,404	31.5
ENGLISH				
Production	119	292,147	61,700	
Amendments – production***	–	–	-98	
Subtotal	119	292,147	61,602	
Scriptwriting and development	144	6,641	2,366	
Amendments – development***	–	–	160	
Subtotal	144	6,641	2,526	
Subtotal – English	263	298,788	64,128	66.4
ABORIGINAL LANGUAGES				
Production	16	4,388	1,979	
Amendments – production***	–	–	–	
Subtotal	16	4,388	1,979	
Scriptwriting and development	1	42	21	
Amendments – development***	–	–	-2	
Subtotal	1	42	19	
Subtotal – Aboriginal Languages	17	4,430	1,998	2.1
TOTAL	420	433,799	96,530	100.0

* Includes two projects that also received funding through the Feature Film Fund

** Includes total co-production budgets.

*** The amendments include increases and decreases in commitments from previous years.

CANADIAN TELEVISION FUND EQUITY INVESTMENT PROGRAM

Telefilm Canada has been a partner in the Canadian Television Fund (CTF) since the Fund's inception in September 1996. During its first four fiscal years, this public-sector (Equity Investment Program administered by Telefilm Canada) and private-sector (Licence Fee Program) partnership has supported more than 1,500 productions: drama, documentaries, children's programs, and variety and performing arts programming.

CTF resources have enabled Canadian broadcasters to air some 8,500 hours of new programming created by Canadian screenwriters and directors and produced by companies from all regions of the country, thus giving the Canadian public access to a rich cultural panorama.

The CTF Equity Investment Program

The Equity Investment Program (EIP) budget for 1999-2000 was \$100 million. The EIP has a broad mandate that covers both television production, including the CTF envelope for Aboriginal-language creations, and feature film production. The EIP also assists the development and writing of new broadcast projects, investing in the television of tomorrow.



A number of projects were aired by more than one broadcaster. As a result, the 885 production hours represent 1,256 broadcasting hours, as shown in the *Viewer Access to Canadian Programs* table.

Drama, Documentaries, Variety and Children's Programs

In terms of broadcast categories (excluding Aboriginal production and feature films), the EIP allocated 68% of its investments to drama programming, 17% to documentaries, 13% to children's programs and 2% to variety and performing arts shows.

Drama continues to rank high among Canadian programming choices, while other types of production are enjoying more and more outlets, due in large part to new Canadian and foreign specialty services. Aboriginal-language production is notable particularly in the area of documentary and variety programming.



A New Record: 420 Production and Development Projects

Providing support for a wide variety of projects – in terms of category, budget, subject matter and regional origin – is one of the EIP's fundamental goals. In doing so, the Program encourages a broad range of screenwriters, directors and producers, while at the same time responding to varied audience tastes and broadcaster needs for Canadian content.

The number of projects supported annually through the Program continues to grow: 321 in 1997-98, 383 in 1998-99 and 420 in 1999-2000. This year, project numbers rose in both production and development. Including the foreign share of co-productions in which Canada was a minority partner, the total budgets amounted to \$433.8 million.

More than 885 Hours of Canadian Production on Canadian Screens

Also of note is a marked increase in the number of hours of production seen in first-run presentation on Canadian television: 741 in 1997-98, 850 in 1998-99 and more than 885 this year. This increase pertains mainly to English- and French-language drama and children's programming in English.

>>> Drama

Taut tales of professional and personal intrigue and vivid characters – psychologists, firefighters, police officers, business people, doctors, farmers, showbiz personalities, journalists, criminals and wanderers – combine to create the unique charm of Canadian drama. There are workers and adventurers, teens and parents, avatars and lovers. Unforgettable characters, some of whom, like Dr. Lucille Teasdale, are drawn from real life, and fascinating environments to be seen again and again. They are mirrors of our society with tremendous appeal for Canadian viewers.

A Vast Network of Canadian and Foreign Partners

Telefilm Canada and the Canadian Television Fund
The EIP's participation provides important financing leverage. In 1999-2000, it represented 22.3% of the overall budgets, compared to 25% the previous year. This decrease in the average contribution enabled Telefilm to support a greater number of projects.

EXHIBIT A: SECRETS OF FORENSIC SCIENCE IV

d. Various
Exhibit A Productions Inc.
This series explores real criminal cases and the central role forensics played in their outcome. The series has been sold, in whole or in part, to Central and South America, Japan, Taiwan, Poland, Hong Kong and the Middle East.

TRADERS V

d. Various
Alliance Atlantis
Communications Inc.
One of Canada's most popular dramas, this series revolves around the personal and public lives of employees at a small but influential Toronto merchant bank. To date, season five has been sold to South Africa, the Middle East, Norway and Bulgaria.

As indicated in the table entitled *Analysis of Financial Participation*, many projects were further assisted through other Telefilm resources: the Feature Film Fund, the Production Revenue Sharing Program and the mini-treaties with France. In all, the contribution provided by Telefilm Canada and through the EIP and LFP programs of the Canadian Television Fund represents 38.5% of the year's total budgets.



L'ENFANT DE LA MUSIQUE

d. Raymond Saint-Jean
Ciné Qua Non Films inc.
L'Enfant de la musique explores Mozart's frenzied life and offers a visually poetic interpretation of his *String Quartet No. 15 in D Minor, K. 421*. First broadcast on Bravo! in October 1999, this program is the fourth in a series devoted to chamber music. The series has been sold across North America, as well as to France and Germany.

GEOGRAPHIC BREAKDOWN OF PROJECTS

according to the location of the companies with which the Corporation signed television production contracts through the CTF – Equity Investment Program

Location	Number of Projects*	Hours of Production	Budgets**		Telefilm Canada Contribution
			In thousands of dollars	In thousands of dollars	%
Montréal	85	375.0	141,364	31,442	22
Toronto	43	189.9	142,223	28,086	20
Subtotal	128	564.9	283,587	59,529	21
British Columbia	31	108.0	66,505	16,219	24
Alberta	8	23.2	9,317	2,526	27
Saskatchewan	5	21.5	6,414	1,464	23
Manitoba	5	19.5	8,581	2,150	25
Northern Region	3	4.0	2,527	762	30
Ontario (excluding Toronto)	7	45.2	4,779	1,669	35
Quebec (excluding Montréal)	6	22.0	2,080	417	20
New Brunswick	4	23.0	2,664	773	29
Nova Scotia	14	43.0	21,074	4,960	24
Prince Edward Island	1	6.5	5,657	1,220	22
Newfoundland	3	3.5	2,060	717	35
Yukon	1	1.0	351	141	40
Subtotal	88	320.3	132,009	33,018	25
TOTAL	216	885.2	415,596	92,546	22

* Includes two projects that also received funding through the Feature Film Fund.

** Does not include the foreign share (\$7,417,309) of co-production budgets in which Canada is an equal or minority partner.

Variety and Performing Arts Programs

The heroes of variety and performing arts programs are talented singers, dancers, musicians and composers from all regions of the country. They express the heart and soul of their communities – Aboriginal and non-Aboriginal alike – in very personal ways to entertain and delight us.

Canadian Broadcasters

On the whole, broadcaster participation rose, up from 17.8% in 1997-98 and 19.3% in 1998-99 to 21.5% this year. In 1999-2000, the increase was seen in drama, children's programming and documentaries.

The EIP allocated 52% of its resources to projects destined for CBC/Radio-Canada and 48% to projects for private broadcasters.

Other Sources of Canadian financing

While support from the private sector (producers, producer-related sources, private assistance funds, sponsors) and distributors varies from year to year according to the project line-up, support from federal and provincial government sources remained steady at close to 18%, primarily in the form of tax credits. Telefilm takes pride in working with the provincial governments to facilitate the production of diverse and original projects.

International Partnerships

International partnerships are essential to Canadian production. This year, foreign co-producers, broadcasters and distributors contributed \$33.5 million to projects financed by the EIP. More than half of this amount – \$17.5 million – came from the foreign distributors of English-language productions.

Record Allocations to Regions Outside Montréal and Toronto: 36% of EIP Allocations

The EIP fosters creativity throughout Canada, enabling all communities to tell their stories and recognize themselves on Canadian screens. The Program allocated 34% of its overall participation to projects from Montréal, 30% to projects from Toronto and 36% to projects produced in other cities including Vancouver, Edmonton, Calgary, Ottawa, Moncton, St. John's and Halifax.

This represents a significant increase in regional projects, which received 29% of total EIP allocations in 1998-99. Production assistance remained stable in the Atlantic region but rose by 24% in the West.

British Columbia, with 18% of EIP resources, and the Prairie provinces, with 7%, were up sharply. Contributions to British Columbia projects increased from \$12.9 million to more than \$16 million, and assistance for Manitoba projects shot up from \$800,000 to \$2.2 million. There was also increased activity in Ontario and in the North, including the new Nunavut Territory.

>>> Aboriginal Works

1999-2000 saw the creation of the world's first national Aboriginal television network, Canada's APTN. Speaking at the network launch, then-COO Abraham Tagalik said, "This historic decision will be a major step in building bridges of understanding between the Aboriginal and non-Aboriginal people of Canada." Added Programming Director Jim Compton, "We started the network to get our culture back, to get our traditions back and to get our languages back. We want to create some jobs, and we want to create some hope." This year's 16 projects in Aboriginal languages and other Aboriginal productions in French and English attest to this resolve.



Projects in English, French and Aboriginal Languages

The EIP provides equitable support for productions in English and in French and is especially attentive to production in linguistic minority situations and Aboriginal-language works.

Allocation Breakdown

In 1999-2000, 66.4% of EIP participation was allocated to English-language production, 31.5% to French-language production and 2.1% to production in Aboriginal languages.

The overall contribution to projects in French is lower than in previous years, chiefly for reasons related to industry production cycles. The average EIP contribution to French-language projects since 1996 has been 33.4%.

Production in Linguistic Minority Situations

The EIP contributed to the financing of 44 production and development projects based in linguistic minority situations, allocating \$8.9 million to their combined budgets of nearly \$35 million. Production assistance of \$5.6 million went to 19 English-language projects in Montréal, while \$2.9 million went to 11 French-language projects in New Brunswick, Nova Scotia, Ontario, Manitoba and British Columbia. The Program also financed 14 development projects from minority groups for a total of \$300,000.

TOHU-BOHU

d. Stefan Joly and
Claude Boucher

Les Productions Sogestalt inc.
Aimed at children aged six to nine, this whimsical series is set on a desert island, home to Don Quixote, Boucle d'Or, Mère Michel and a host of other famous literary characters.

A stage version of *Tohu-Bohu* has been performed to great success, notably at the annual *Francofolies* festival in Montréal.

LINGUISTIC BREAKDOWN OF PROJECTS

Production, scriptwriting, development and amendments

	1996-1997		1997-1998		1998-1999		1999-2000		1996-2000	
	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%
FRENCH	38,241	31.8	35,410	36.8	35,672	34.0	30,404	31.5	139,727	33.4
ENGLISH	82,183	68.2	59,892	62.2	68,235	65.0	64,128	66.4	274,438	65.6
ABORIGINAL LANGUAGES	0	0.0	1,000	1.0	1,000	1.0	1,998	2.1	3,998	1.0
TOTAL	120,424	100.0	96,302	100.0	104,907	100.0	96,530	100.0	418,163	100.0

MANON RHÉAUME:
THE WOMAN BEHIND THE MASK
 d. Wendy Hill-Tout
 Voice Pictures
 Development Corp./
 Les Productions Colin Neale
 Manon Rhéaume, a goalie
 from Quebec, made history
 by becoming the first woman
 to play in the National Hockey
 League. This biography
 documents her fairy-tale
 rise and the obstacles
 she had to overcome.

Productions in Aboriginal Languages

The EIP administers the entire \$2-million CTF envelope reserved for Aboriginal-language production. In 1999-2000, the EIP financed 16 productions: nine from the Western provinces and the North, the balance from Ontario, Quebec and Newfoundland. The stories they tell are recounted in a dozen Aboriginal languages.

Altogether, the budgets of these projects amounted to \$4.4 million, of which the EIP financed an average of 45%. Contributions to individual

production budgets ranged from 27% to 75%. As a means of encouraging Aboriginal creations, the EIP exercises flexibility with respect to broadcast rights and airing schedules and facilitates the hiring of Aboriginal production trainees.

APTN, the Aboriginal Peoples Television Network, is associated with most of these projects, 13 in all. The other broadcasters involved with Aboriginal productions are SCN, Channel 24 Igloolik, CTV Network (Baton), Vision TV and Canwest Global.

Feature Films:

EIP Supports 11 Production Projects

Each year, the CTF appropriates \$15 million for feature films. This amount is shared equally between the EIP and the LFP. During the Fund's initial years, Telefilm administered the entire envelope; in 1999-2000, at the request of the CTF Board of Directors, each program managed its respective portion of the envelope.

EIP participation represented 20.6% of this year's 11 feature film budgets, which totalled \$36 million. Support went to high-quality projects directed by eminent filmmakers and talented newcomers, which will be presented both in movie theatres and on television.

Six of these projects were made in English: *Café Olé* by Richard Roy (Montréal), *Ginger Snaps* by John Fawcett (Toronto), *Marine Life* by



ANALYSIS OF FINANCIAL PARTICIPATION

Production only – New projects contracted

Categories	Number of Projects*	Hours of Production	Total Budgets In thousands of dollars	Budgets** In thousands of dollars	CTF – Equity Investment Program		Feature Film Fund		Telefilm Canada Other Funds (PRSP)	
					In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%
FRENCH										
Drama	18	149.0	66,471	66,471	16,566	24.9	–	0.0	–	0.0
Variety	7	18.0	4,981	4,981	1,309	26.3	–	0.0	–	0.0
Children	8	135.8	16,640	16,640	3,179	19.1	–	0.0	–	0.0
Documentary	43	96.4	23,077	23,077	5,313	23.0	–	0.0	19	0.1
Feature Film	5	8.2	15,309	15,309	2,500	16.3	–	0.0	–	0.0
Subtotal	81	407.3	126,478	126,478	28,867	22.8	0	0.0	19	0.0
ENGLISH										
Drama	29	187.5	175,983	175,983	39,842	22.6	–	0.0	276	0.2
Variety	3	3.0	3,015	3,015	763	25.3	–	0.0	100	3.3
Children	14	84.4	58,364	51,397	8,037	15.6	–	0.0	81	0.2
Documentary	67	158.7	34,023	33,573	8,123	24.2	–	0.0	41	0.1
Feature Film	6	10.0	20,761	20,761	4,935	23.8	1,098	5.3	–	0.0
Subtotal	119	443.6	292,147	284,729	61,700	21.7	1,098	0.4	498	0.2
ABORIGINAL LANGUAGES	16	34.3	4,388	4,388	1,979	45.1	0	0.0	0	0.0
TOTAL	216	885.2	423,013	415,596	92,546	22.3	1,098	0.3	518	0.1

* Includes two projects that also received funding through the Feature Film Fund.

** Does not include the foreign share (\$7,417,309) of co-production budgets in which Canada is a minority partner. All percentages are based on these amounts.

Anne Wheeler (Vancouver), *Possible Worlds* by Robert Lepage (Toronto), *Two Thousand and None* by Arto Paragamian (Montréal) and *Violet* by Rosemary House (St. John's). Five were made in French in Montréal: *15 février 1839* by Pierre Falardeau, *La Beauté de Pandore* by Charles Binamé, *Les Muses orphelines* by Robert Favreau, *PinPon le film* by Ghyslaine Côté and *La Vie après l'amour* by Gabriel Pelletier. Inspired by the popular television series of the same name, *PinPon* is Canada's first French-language feature film for children between the ages of three and five.

In addition to its EIP contributions, Telefilm provides support for the film industry through the Feature Film Fund and the Regular Fund, the latter serving mainly to finance low-budget regional

Feature Films

There are no boundaries when it comes to subjects that inspire Canadian directors and screenwriters, who delve into small tales and vast narratives, broken hearts, family sorrows, stories of people of all ages, the search for identity and occasionally the struggle to stay alive. These films speak of life and other mortal states, always maintaining the right tone, whether in a comedy, a tragedy or a combination of the two.



projects. All told, the Corporation contributed to the production of 46 feature films and the development of 102 new feature film projects in fiscal 1999-2000.

Fourteen Co-productions with Six Countries

This year, 14 co-productions were made with EIP support totalling \$4.3 million. Their combined budgets amounted to \$43.7 million. The overall Canadian share represented 62%, as Canada was a majority partner in ten of these productions. The EIP provided 16% of the Canadian portion of the budgets.

VIOLET
d. Rosemary House
Dark Flowers Productions Inc.
Fifty-five is a lethal age for Violet O'Brien's family: both her parents as well as her brother died at 55. With her own 55th birthday fast approaching, Violet goes into an existential tailspin as she feels the hand of fate upon her.

CTF – Licence Fee Program		Broadcasters		Private Sector		Distributors		Other Government Sources		Foreign Participants	
In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%
12,678	19.1	18,974	28.5	2,776	4.2	838	1.3	14,639	22.0	–	0.0
410	8.2	1,256	25.2	663	13.3	214	4.3	1,129	22.7	–	0.0
3,282	19.7	5,115	30.7	1,246	7.5	200	1.2	3,618	21.7	–	0.0
4,282	18.6	4,680	20.3	1,318	5.7	553	2.4	6,587	28.5	323	1.4
1,991	13.0	225	1.5	683	4.5	1,610	10.5	8,300	54.2	–	0.0
22,644	17.9	30,251	23.9	6,687	5.3	3,415	2.7	34,272	27.1	323	0.3
30,403	17.3	39,298	22.3	20,466	11.6	13,799	7.8	22,054	12.5	9,845	5.6
372	12.3	525	17.4	131	4.3	239	7.9	474	15.7	412	13.7
4,859	9.5	8,707	16.9	8,513	16.6	5,242	10.2	4,850	9.4	11,108	21.6
4,476	13.3	9,461	28.2	2,773	8.3	1,249	3.7	5,396	16.1	2,054	6.1
3,096	14.9	673	3.2	724	3.5	2,741	13.2	5,127	24.7	2,368	11.4
43,207	15.2	58,663	20.6	32,607	11.5	23,269	8.2	37,900	13.3	25,787	9.1
0	0.0	448	10.2	819	18.7	0	0.0	1,142	26.0	0	0.0
65,851	15.8	89,361	21.5	40,113	9.7	26,684	6.4	73,315	17.6	26,110	6.3

THE KINMEL PARK RIOTS

d. Ceri Sherlock
Great North Productions Inc./
Andy Brice Productions Ltd.
In March 1919, thousands of
disease-ridden, war-weary
Canadian soldiers stationed in
North Wales rioted upon learning
that American soldiers, who
had done little fighting, would
be repatriated first. This
Canada-U.K. co-production,
which investigates the mutiny,
was first broadcast on
the Discovery
channel
in July.



These co-production projects were signed with six different countries: France, the United Kingdom, Israel, Australia, South Africa and China.

204 Projects in Development: Tomorrow's Television

Developing and writing new projects is of primary importance, for Canadian television must continue to evolve if it is to meet audience expectations. The EIP facilitates creativity by encouraging producers

Documentaries

Mirroring a rich heritage, documentaries give voice to Canada's different communities, including Aboriginal peoples. They celebrate the beauty and landscapes of our country and deal with some of the most heated issues of the day, such as conservation, minority groups, our food supply, immigration, young people, the family, human rights and the role of science. Canadian perspectives on the past, present and future at home and abroad.

to develop new ideas. The Program is a key partner for producers in this respect, because it covers an average of 35% of project development costs, which are regarded as investments at risk. In June 1999, Telefilm announced that in future its development resources would be directed exclusively to SMBs.

The EIP allocated \$3.8 million to 204 development projects, compared to \$3.4 million for 180 projects the previous year. Of note is a substantial increase in the number of projects from Alberta, Nova Scotia and Newfoundland, which bodes well for programming in the coming years.

The regional breakdown is as follows: 64 projects originating in Montréal, 44 in Toronto, 33 in British Columbia, 15 in Alberta, 9 in Saskatchewan, 6 in Manitoba, 3 in Ontario, 4 in Quebec, 3 in

BROADCASTERS

Financial participation – Production only

Categories	Total		Public Sector					Educational Television					
	In thousands of dollars	%	CBC/ CBC - Regional	CBC Newsworld	RDI	RC/ RC - Regional	Total	%	Télé- Québec	TVOntario/ TFO	Access, Knowledge, SCN and others	Total	%
FRENCH													
Drama	18,974	28.5	-	-	-	12,304	12,304	18.5	797	200	-	997	1.5
Variety	1,256	25.2	-	-	-	534	534	10.7	71	482	-	553	11.1
Children	5,115	30.7	-	-	-	1,251	1,251	7.5	2,814	550	-	3,365	20.2
Documentary	4,680	20.3	102	-	29	1,377	1,508	6.5	1,410	663	2	2,075	9.0
Feature Film	225	1.5	-	-	-	25	25	0.2	-	-	-	-	0.0
Subtotal	30,251	23.9	102	0	29	15,491	15,622	12.4	5,092	1,895	2	6,989	5.5
ENGLISH													
Drama	39,298	22.3	20,337	-	-	-	20,337	11.6	-	-	-	-	0.0
Variety	525	17.4	258	-	-	-	258	8.5	-	-	-	-	0.0
Children	8,707	16.9	772	-	-	143	915	1.8	-	579	242	820	1.6
Documentary	9,461	28.2	2,341	43	-	56	2,440	7.3	-	121	230	350	1.0
Feature Film	673	3.2	150	-	-	-	150	0.7	-	-	-	-	0.0
Subtotal	58,663	20.6	23,858	43	0	199	24,100	8.5	0	699	471	1,171	0.4
ABORIGINAL LANGUAGES	448	10.2	0	0	0	0	0	0.0	0	0	74	74	1.7
TOTAL	89,361	21.5	23,960	43	29	15,690	39,723	9.6	5,092	2,594	547	8,234	2.0

* Includes CTV affiliates not belonging to BATON, CHUM or WIC.

New Brunswick, 17 in Nova Scotia, 1 in Prince Edward Island and 5 in Newfoundland.

EIP support went to develop projects in all production categories. Resources were allocated in these proportions: 51% for drama, 37% for documentaries, 11% for children's programs and less than 1% for variety and performing arts programming.

>>> Children's Programs

Children's programs feature tots, teens, animals, magicians, computers and animated characters of all sorts. They are set in the past, the present and even in the year 2035. These programs accompany children in discovering the world and encourage learning, imagination, tolerance and creativity. The international renown of Canadian children's programming continues to grow.



INCREDIBLE STORY STUDIO III

d. Various
Incredible Story Productions III
Inc. (Minds Eye Pictures)/
Vérité Films Inc.

Now seen in more than 125 million homes worldwide, this award-winning show turns kids' stories from around the globe into movies. The series is broadcast in the U.K., France, Germany, the Middle East, the U.S., Latin America, Australia, South Africa, China, Korea, Japan, Israel, Ireland and Singapore.

CHUM	WIC	CTV Network (BATON)	CTV Other Affiliates*	Canwest Global	Inde- pendents	TVA Group	Télévision Quatre Saisons	Pay Television	Specialty Services	Private Sector	
										Total	%
In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	
-	-	-	-	-	-	5,110	-	-	563	5,673	8.5
-	-	-	-	30	-	-	-	-	139	169	3.4
-	-	-	-	-	-	-	-	-	500	500	3.0
-	27	-	-	-	-	85	195	-	790	1,097	4.8
-	-	-	-	-	-	200	-	-	-	200	1.3
0	27	0	0	30	0	5,395	195	0	1,992	7,639	6.0
-	-	12,100	-	3,275	285	700	-	1,400	1,200	18,960	10.8
-	-	-	-	-	-	-	-	-	268	268	8.9
-	300	623	-	85	455	-	-	93	5,414	6,971	13.6
80	21	290	2	67	-	40	-	-	6,171	6,671	19.9
50	-	-	-	-	-	-	-	473	-	523	2.5
130	321	13,013	2	3,427	740	740	0	1,966	13,053	33,392	11.7
0	0	41	0	20	268	0	0	0	45	374	8.5
130	348	13,054	2	3,477	1,008	6,135	195	1,966	15,090	41,405	10.0

PRIVATE SECTOR

Categories	Total		Producers and Producer- related In thousands of dollars	Private Assistance Funds In thousands of dollars	Sponsors In thousands of dollars	Others In thousands of dollars
	In thousands of dollars	%				
FRENCH						
Drama	2,776	4.2	1,915	350	511	-
Variety	663	13.3	356	242	65	-
Children	1,246	7.5	1,046	200	-	-
Documentary	1,318	5.7	1,010	239	20	49
Feature Film	683	4.5	323	100	200	60
Subtotal	6,687	5.3	4,651	1,131	796	109
ENGLISH						
Drama	20,466	11.6	17,724	2,669	73	-
Variety	131	4.3	131	-	-	-
Children	8,513	16.6	4,649	3,865	-	-
Documentary	2,773	8.3	2,058	663	52	1
Feature Film	724	3.5	724	-	-	-
Subtotal	32,607	11.5	25,285	7,196	125	1
ABORIGINAL LANGUAGES	819	18.7	614	101	22	82
TOTAL	40,113	9.7	30,550	8,429	942	192

OTHER GOVERNMENT SOURCES

Financial participation - Production only

Categories	Total		Federal Agencies			Newfoundland Tax Credit In thousands of dollars	Nova Scotia Tax Credit In thousands of dollars	New Brunswick Tax Credit In thousands of dollars
	In thousands of dollars	%	NFB In thousands of dollars	Federal Tax Credit In thousands of dollars	Others In thousands of dollars			
FRENCH								
Drama	14,639	22.0	-	4,691	-	-	-	-
Variety	1,129	22.7	-	285	-	-	-	87
Children	3,618	21.7	-	1,142	-	-	-	148
Documentary	6,587	28.5	225	1,245	133	-	19	141
Feature Film	8,300	54.2	-	535	-	-	-	-
Subtotal	34,272	27.1	225	7,897	133	0	19	377
ENGLISH								
Drama	22,054	12.5	450	9,613	75	-	1,482	-
Variety	474	15.7	-	220	60	-	-	-
Children	4,850	9.4	-	1,897	-	9	-	-
Documentary	5,396	16.1	557	1,351	385	-	529	-
Feature Film	5,127	24.7	-	1,352	-	259	-	-
Subtotal	37,901	13.3	1,007	14,433	520	268	2,011	0
ABORIGINAL LANGUAGES	1,142	26.0	165	0	808	0	0	0
TOTAL	73,315	17.6	1,397	22,330	1,461	268	2,030	377

FOREIGN PARTICIPANTS

Financial participation – Production only

Categories	Total		Co-producers In thousands of dollars	Broadcasters In thousands of dollars	Distributors In thousands of dollars	Others In thousands of dollars
	In thousands of dollars	%				
FRENCH						
Drama	0	0.0	-	-	-	-
Variety	0	0.0	-	-	-	-
Children	0	0.0	-	-	-	-
Documentary	323	1.4	147	96	-	80
Feature Film	0	0.0	-	-	-	-
Subtotal	323	0.3	147	96	0	80
ENGLISH						
Drama	9,845	5.6	1,149	-	8,696	-
Variety	412	13.7	-	412	-	-
Children	11,108	21.6	3,305	68	6,887	849
Documentary	2,054	6.1	3	1,412	410	228
Feature Film	2,368	11.4	868	-	1,500	-
Subtotal	25,787	9.1	5,326	1,891	17,493	1,077
ABORIGINAL LANGUAGES	0	0.0	0	0	0	0
TOTAL	26,110	6.3	5,473	1,987	17,493	1,157

	Provincial Agencies							
	Quebec Tax Credit	Ontario Tax Credit	Manitoba Tax Credit	British Columbia Tax Credit	SODEC	SaskFilm	British Columbia Film	Nova Scotia Film
	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars
	9,633	-	-	-	315	-	-	-
	568	12	-	-	176	-	-	-
	1,913	-	-	-	-	-	-	414
	3,305	17	31	-	1,223	-	-	248
	3,100	-	-	-	4,665	-	-	-
	18,520	30	31	0	6,379	0	0	662
	2,017	6,723	-	-	-	-	950	245
	-	194	-	-	-	-	-	-
	-	1,526	-	-	-	5	175	1,237
	770	479	-	8	174	-	243	437
	1,324	364	-	187	1,100	-	-	542
	4,111	9,285	0	195	1,274	5	1,368	706
	73	0	0	0	70	0	0	27
	22,704	9,315	31	195	7,723	5	1,368	706
								3,405

PARTICIPATION OF CANADIAN BROADCASTERS

including investments and purchases of broadcast rights

Broadcasters	Drama In thousands of dollars	Variety In thousands of dollars	Children In thousands of dollars	Documentary In thousands of dollars	Feature Film* In thousands of dollars	Total In thousands of dollars
PRIVATE SECTOR AND EDUCATIONAL TELEVISION						
Conventional Television						
Canwest Global	3,275	30	85	87	–	3,477
CHUM	–	–	–	80	50	130
CTV – Network (Baton)/ Other Affiliates	12,100	–	623	332	–	13,056
Independents	285	13	455	255	–	1,008
TVA Group	5,810	–	–	125	200	6,135
Télévision Quatre Saisons	–	–	–	195	–	195
WIC	–	–	300	48	–	348
Educational Television						
Access	–	–	–	48	–	48
Canadian Learning Channel	–	–	–	2	–	2
Knowledge	–	–	–	108	–	108
SCN	–	–	242	148	–	390
Télé-Québec	797	71	2,814	1,410	–	5,092
TVOntario/TFO	200	482	1,129	784	–	2,594
Pay Television						
The Movie Network	–	–	–	–	455	455
Superchannel	1,400	–	93	–	18	1,511
Specialty Services						
Bravo!	–	362	–	121	–	482
Canal D	–	–	–	699	–	699
Canal Famille	538	–	643	–	–	1,181
Comedy Network	674	–	–	–	–	674
Discovery Channel (The)	–	–	–	2,352	–	2,352
History Television	–	–	–	760	–	760
Life Network (The)	–	–	–	1,544	–	1,544
Teletoon	–	–	1,062	–	–	1,062
TV5	25	45	–	231	–	301
Vision TV	50	–	55	581	–	686
WTN	–	–	–	717	–	717
YTV	476	–	4,154	–	–	4,630
Subtotal	25,630	1,002	11,656	10,628	723	49,639
PUBLIC SECTOR						
CBC network and regional stations	20,337	258	772	2,443	150	23,960
CBC Newsworld	–	–	–	43	–	43
RC network and regional stations	12,304	534	1,394	1,433	25	15,690
RDI – le réseau de l'information	–	–	–	29	–	29
Subtotal	32,642	792	2,166	3,948	175	39,723
TOTAL	58,272	1,794	13,822	14,576	898	89,361

* Because rights for feature films are often included in the distribution advances, they do not all appear in this table.

VIEWER ACCESS TO CANADIAN PROGRAMS

Broadcasters				Number	Number
	In Aboriginal Languages	In French	In English	of Projects Total	of Hours in First-Run Presentation
PRIVATE SECTOR AND EDUCATIONAL TELEVISION					
Conventional Television					
Canwest Global	1	1	4	6	24.3
CHUM	-	-	2	2	2.8
CTV - Networks (Baton)/Other Affiliates	2	-	15	17	71.0
Independents	16	-	4	20	55.8
TVA Group	-	6	4	10	68.7
Télévision Quatre Saisons	-	1	-	1	13.0
WIC	-	2	4	6	8.5
Educational Television					
Access	-	-	4	4	20.5
Canadian Learning Channel	-	-	1	1	1.0
Knowledge	3	-	11	14	27.8
SCN	5	1	15	21	61.7
Télé-Québec	-	22	-	22	122.5
TVOntario/TFO	-	8	5	13	77.0
Pay Television					
Movie Network	-	-	2	2	3.5
Superchannel	-	-	3	3	15.0
Specialty Services					
Bravo!	-	6	5	11	12.0
Canal D	-	3	3	6	41.0
Canal Famille	-	2	1	3	39.0
Comedy Network	-	-	2	2	12.0
Discovery Channel (The)	-	-	6	6	43.0
History Television	-	-	6	6	13.5
Life Network (The)	-	-	5	5	29.0
Teletoon	-	-	1	1	6.5
TV5	-	13	2	15	19.5
Vision TV	2	1	16	19	33.2
WTN	1	-	8	9	21.5
YTV	-	-	9	9	65.5
Subtotal	30	66	138	234	908.6
PUBLIC SECTOR					
CBC network and regional stations	-	3	55	58	158.2
CBC Newsworld	-	-	1	1	1.0
RC network and regional stations	-	47	2	49	180.3
RDI - le réseau de l'information	-	1	1	2	7.5
Subtotal	0	51	59	110	347.0
TOTAL	30	117	197	344	1,255.6

The participation of more than one broadcaster in the same project contributed to increased viewer access to Canadian programming. Thus, in 1999-2000, the 216 financed projects totalled 344 broadcast projects, and the 885.2 hours of production represented 1,255.6 hours of broadcasting.

FEATURE FILM



TELEFILM CANADA'S FEATURE FILM FUND

Projects contracted – Production, scriptwriting and development

	Number of Projects*	Total Budgets** In thousands of dollars	Telefilm Canada In thousands of dollars	Linguistic Breakdown %
FRENCH				
Production	12	26,616	5,290	
Amendments – production***	–	–	50	
Subtotal	12	26,616	5,340	
Scriptwriting and development	28	1,699	520	
Amendments – development***	–	–	129	
Subtotal	28	1,699	649	
Subtotal – French	40	28,315	5,989	35.9
ENGLISH				
Production	12	38,084	8,859	
Amendments – production***	–	–	305	
Subtotal	12	38,084	9,164	
Scriptwriting and development	74	3,248	1,036	
Amendments – development***	–	–	487	
Subtotal	74	3,248	1,522	
Subtotal – English	86	41,332	10,686	64.1
TOTAL	126	69,647	16,675	100.0

* Includes two projects that also received funding through the CTF – Equity Investment Program.

** Includes total co-production budgets.

*** The amendments include increases and decreases in commitments from previous years.

TELEFILM CANADA'S FEATURE FILM FUND FEATURE FILM DISTRIBUTION FUND

Since 1986, Telefilm Canada's Feature Film Fund (FFF) has been the principal public-sector instrument for leveraging Canadian film financing. Nearly 300 features have been made with Fund support, many of which have become classics of Canada's cultural heritage. The Feature Film Fund supports quality, diversity and originality and fosters creativity on a national scale.

A Fruitful Year

Fiscal 1999-2000 was exceptionally fruitful, with 24 productions and 102 development projects, compared to 21 productions and 85 development projects the previous year. The combined budgets of the 126 projects totalled close to \$70 million, counting the foreign share (\$17 million) of financing in co-productions where Canada is a minority partner. These results clearly reflect the film industry's vitality and creative force from coast to coast.

Telefilm Canada supports Canadian cinema by means of other funds and programs, as well. Altogether, the Corporation assisted the production of 46 features for theatrical release, many of which will also be aired on television in accordance with the rules of the Canadian Television Fund's Equity Investment Program, which Telefilm administers. Further details can be found under *Feature Films* in the 1999-2000 Highlights section.

2000 Genie Awards: Telefilm Canada's Investments Pay Off in Pride!

The Genie Award Gala illustrates the vitality of Canadian cinema and the immense talent of its artisans. Nine features financed by Telefilm carried off 13 Genie Awards in January 2000, among them Best Motion Picture (*Sunshine*, Robert Lantos, Andras Hamori), Achievement in Direction (*The Five Senses*, Jeremy Podeswa), Original Screenplay (*Post Mortem*, Louis Bélanger) and the Golden Reel Award (*Les Boys II*, Melenny Productions). Other winners include *eXistenZ* by David Cronenberg, *Souvenirs intimes* by Jean Beaudin, *Jacob Two-Two Meets the Hooded Fang* by George Bloomfield, *Dog Park* by Bruce McCulloch and *The Life Before This* by Jerry Ciccoritti.

Development and Scriptwriting Boom in the Prairies and the Atlantic Region

A good script is a passport to quality and success, and in this respect, Telefilm Canada is a proven frontline partner to the industry. In 1999-2000, the Corporation provided 31% of overall development project budgets totalling \$4.9 million. Most of this year's projects came from small and medium-sized companies, primarily as a result of Telefilm's June 1999 announcement that development resources would be reserved exclusively for such companies from that time on.

The Feature Film Fund supported 29 projects from Montréal and 32 from Toronto, for a total of 66% of its resources. It also assisted 13 projects from British Columbia, 12 from the Prairies, 14 from the Atlantic region and 2 from different regions of



Quebec and Ontario. The increase in the number of Prairie and Atlantic projects speaks to the vigour of the producers in those regions.

Production: FFF Provides 30% of Costs for 24 Feature Films

Importance of Other Government Financing Sources

Due to feature film development and production cycles, the project line-up varies each year in terms of the number of projects and their budgets, the scope of co-productions and the participation of different financing sources.

This year, the Fund's contribution played a particularly decisive role, accounting for 30% of the year's production costs (\$14.1 million), compared to 21% in 1998-99. Overall, the 1999-2000 budgets were lower than in 1998-99, as the Corporation supported many debut features from emerging filmmakers.

Several projects were also assisted through other Telefilm funds and programs for a total of \$2 million, bringing the Corporation's contribution to this year's projects to nearly 34%. Robert Lepage's *Possible Worlds* and John Fawcett's *Ginger Snaps*, for instance, received both FFF and EIP assistance.

Other government sources accounted for close to 31% of production costs, compared to 15% in 1998-99. Half of this amount was provided in the form of tax credits. Telefilm Canada is pleased to have joined with the National Film Board of Canada,

THE PERFECT SON

d. Leonard Farlinger

New Real Films

Estranged brothers Ryan and

Theo meet again after their

father's funeral. When Theo

learns that Ryan is about to die,

an intimate and unexpectedly

humorous bond develops

between them. Italian rights

to this debut feature have

been sold to Eagle Pictures;

Equinox Entertainment is

handling Canadian distribution.

Great Names of Canadian Cinema

Since 1986, through the FFF, Telefilm Canada has supported the careers of filmmakers such as Denys Arcand, Jean-Claude Lauzon, André Forcier, François Girard, Léa Pool, David Cronenberg, Atom Egoyan, Patricia Rozema, Bruce McDonald and Anne Wheeler. Their work and that of dozens of other talented filmmakers has provided Canadian and foreign audiences with images, stories and characters of unique quality.

THE LAW OF ENCLOSURES

d. John Greyson
Pluck Inc./
Buffalo Gal Pictures Inc.
Beatrice and Henry are inexplicably and impossibly stuck in 1991, the year of the Gulf War. For 40 years, they have been prisoners of their marriage — and of the war, which rages on TV from the moment they meet to the hour of their death.



the Canada Council for the Arts, the governments of Manitoba, Quebec, British Columbia and Ontario and other provincial agencies in supporting the production of feature films.

A number of these projects are interprovincial co-productions involving multiple companies, which facilitated their financing. Among others they include *Desire*, *Ginger Snaps*, *The Law of Enclosures*, *Marine Life*, *Possible Worlds* and *Saint-Jude*.

Broadcaster participation remained virtually unchanged this year, while support from private assistance funds played a greater role in feature film financing. Canadian distributors and foreign participants, for their part, once again proved to be crucial partners in the growth and development of Canadian film.

Regional and Linguistic Breakdown

The resources of the FFF were allocated equitably between productions in French (36%) and those in English (64%). The Fund contributed to the development of production in linguistic minority situations through its participation in two English-language projects made in Montréal, *The Favourite Game* and *Eisenstein*.

Twenty-three percent of the Fund's resources went to regional production; this is approximately equivalent to the recent-year average. Of note here are two major co-productions from British Columbia: *On the Nose* (United Kingdom/Ireland) and *Lunch with Charles*, co-produced with Hong Kong.

ON THE NOSE

d. David Caffrey
Cadence Entertainment Inc./
Subotica Entertainment Ltd.
The first Canada-Ireland co-production, this feature follows the adventures of Brendan, a porter at the Dublin Medical College plagued by financial strains and a gambler's sordid past. Never one to crumble or falter under stress, he hatches a scheme to get rich by picking the winning horse at the local races.

Each year the Fund encourages up-and-coming talent by financing first features. In past, it has enabled young directors like Denis Villeneuve, Manon Briand, Louis Bélanger, Tom Fitzgerald, Clement Virgo, Rodrigue Jean and Mina Shum to make impressive silver screen debuts. 1999-2000 saw the start of promising feature film careers by names to watch for in future, such as Claude Demers (*L'Invention de l'amour*), Jon Einarsson Gustafsson (*Kanadiana*), Philippe Falardeau (*La Moitié gauche du frigo*), Leonard Farlinger (*The Perfect Son*) and Pierre Gréco (*Un petit vent de panique*).

No productions from the Atlantic region were funded through the FFF this year, but mention should be made of three features financed through other Telefilm funds: *Violet* and *The Bingo Robbers* (Newfoundland), and *Parsley Days* (Nova Scotia). In addition, 14 development projects from the region were undertaken with FFF support, promising productive filmmaking years ahead in Atlantic Canada.

Seven Co-productions with Seven Countries

Four co-productions were financed with France and other partner countries: *Des chiens dans la neige* (France), *Desire* (Germany-France), *En vacances* (France-Belgium) and *Une petite fête* (Belgium/France). *Eisenstein* was produced with Germany, *On the Nose*



LINGUISTIC BREAKDOWN OF PROJECTS

Production, scriptwriting, development and amendments

	1993-1994		1994-1995		1995-1996	
	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%
FRENCH	9,720	44.5	7,447	48.0	11,334	54.0
ENGLISH	12,116	55.5	8,065	52.0	9,666	46.0
TOTAL	21,836	100.0	15,512	100.0	21,000	100.0

GEOGRAPHIC BREAKDOWN OF PROJECTS

according to the location of the companies with which the Corporation signed productions contracts through the Feature Film Fund

Location	Number of Projects*	Budgets** In thousands of dollars	Telefilm Canada Contribution	
			In thousands of dollars	% of budgets
Montréal	13	22,305	6,365	28.5
Toronto	6	18,234	4,735	26.0
Subtotal	19	40,539	11,100	27.4
British Columbia	2	5,053	2,250	44.5
Alberta	1	715	336	47.0
Saskatchewan	-	-	0	0.0
Manitoba	1	273	138	50.5
Ontario (excluding Toronto)	-	-	0	0.0
Quebec (excluding Montréal)	1	1,075	325	30.2
New Brunswick	-	-	0	0.0
Nova Scotia	-	-	0	0.0
Prince Edward Island	-	-	0	0.0
Newfoundland	-	-	0	0.0
Subtotal	5	7,116	3,049	42.8
TOTAL	24	47,654	14,149	29.7

* Includes two projects that also received funding through the CTF - Equity Investment Program.

** Does not include the foreign share (\$17,045,317) of co-production budgets in which Canada is a minority partner.

KANADIANA

d. Jon Einarsson Gustafsson
Kanadiana Inc.
Christie, an aspiring screenwriter, heads for an isolated cabin to cure herself of writer's block. Along the way, she crosses paths with two brothers, a stolen and now-missing envelope... and the RCMP. This debut feature will be released in Canada in the fall.

with the United Kingdom and Ireland, and Lunch with Charles with Hong Kong.

The seven films included one fifty-fifty co-production, one majority Canadian co-production and five in which the Canadian partners have minority status. The combined budgets of the seven films amounted to \$29 million. Telefilm Canada provided 38% of the Canadian share.



1996-1997		1997-1998		1998-1999		1999-2000		1993-2000	
In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%
7,560	34.8	6,464	39.5	7,139	34.5	5,989	35.9	55,653	41.6
14,152	65.2	9,921	60.5	13,545	65.5	10,686	64.1	78,151	58.4
21,712	100.0	16,385	100.0	20,684	100.0	16,675	100.0	133,804	100.0

ANALYSIS OF FINANCIAL PARTICIPATION

Production only – Projects contracted

	Number of Projects*	Total Budgets In thousands of dollars	Budgets** In thousands of dollars	Feature Film Fund		CTF - Equity Investment Program		Téléfilm Canada Other Funds (Mini-treaties and PRSP)	
				In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%
FRENCH	12	26,616	17,760	5,290	29.8	–	0.0	293	1.7
ENGLISH	12	38,084	29,895	8,859	29.6	1,663	5.6	–	0.0
TOTAL	24	64,700	47,654	14,149	29.7	1,663	3.5	293	0.6

* Includes two projects that also received funding through the CTF – Equity Investment Program.

** Does not include the foreign share (\$17,045,317) of co-production budgets in which Canada is a minority partner. All percentages are based on these amounts.

DISTRIBUTORS

Financial participation – Production only

	In thousands of dollars	Total %
FRENCH	1,660	9.3
ENGLISH	4,426	14.8
TOTAL	6,086	12.8

PRIVATE SECTOR

Financial participation – Production only

	Total		Producers and Producer-related In thousands of dollars	Private Assistance Funds In thousands of dollars	Private Investors In thousands of dollars	Sponsors In thousands of dollars	Others In thousands of dollars
	In thousands of dollars	%					
FRENCH	1,539	8.7	900	639	–	–	–
ENGLISH	5,151	17.2	2,589	2,562	–	–	–
TOTAL	6,690	14.0	3,489	3,201	0	0	0

OTHER GOVERNMENT SOURCES

Financial participation – Production only

	Total		NFB In thousands of dollars	Canada Council In thousands of dollars	Federal Agencies Federal Tax Credit In thousands of dollars
	In thousands of dollars	%			
FRENCH	8,367	47.1	24	117	410
ENGLISH	6,228	20.8	–	15	1,255
TOTAL	14,596	30.6	24	132	1,665

Distributors		Private Sector		Other Government Sources		Broadcasters		Foreign Participants	
In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%	In thousands of dollars	%
1,660	9.3	1,539	8.7	8,367	47.1	356	2.0	254	1.4
4,426	14.8	5,151	17.2	6,228	20.8	945	3.2	2,623	8.8
6,086	12.8	6,690	14.0	14,596	30.6	1,301	2.7	2,877	6.0

FOREIGN PARTICIPANTS

Financial participation – Production only

	In thousands of dollars	Total %	Co-producers In thousands of dollars	Distributors In thousands of dollars	Broadcasters In thousands of dollars
FRENCH	254	1.4	–	–	254
ENGLISH	2,623	8.8	2,024	150	449
TOTAL	2,877	6.0	2,024	150	703

BROADCASTERS

Financial participation – Production only

	In thousands of dollars	Total %	Broadcasters In thousands of dollars	Pay Television In thousands of dollars
FRENCH	356	2.0	356	–
ENGLISH	945	3.2	75	870
TOTAL	1,301	2.7	431	870

Manitoba Tax Credit In thousands of dollars	Quebec Tax Credit In thousands of dollars	Ontario Tax Credit In thousands of dollars	SODEC In thousands of dollars	British Columbia Film In thousands of dollars	Provincial Agencies Others In thousands of dollars
–	3,428	–	4,380	–	8
465	1,239	628	1,865	200	561
465	4,667	628	6,245	200	569

FEATURE FILM DISTRIBUTION FUND

Canada's feature film development policy is currently under revision. Telefilm Canada, the Department of Canadian Heritage and the industry are seeking to establish a comprehensive policy that will encompass the production, distribution and marketing sectors. A major goal is to enhance the visibility of Canadian films and reach broader audiences.

LA VIE APRÈS L'AMOUR

d. Gabriel Pelletier
Max Films
Shown on more than 70 screens across Quebec, this comedy of manners was the biggest hit of the 2000 summer movie season. A subtitled English version was also screened during the *Just for Laughs* international comedy festival in Montréal.



Since 1988, the financial resources of the Feature Film Distribution Fund have been used to this end. The Fund plays a role at different stages in the life of a feature film by supporting various distributor activities, from the acquisition of distribution rights (minimum guarantees against future receipts) through to theatrical launch and promotion.

Canadian cinema faces stiff competition that requires the collaborative efforts of all segments of the industry. Telefilm especially encourages greater synergy between producers and distributors at the earliest possible time in a project's development. Such combined action is crucial to establishing marketing strategies that capture the attention of well-defined target audiences.

»»» Overall, the Fund supported the acquisition of distribution rights for 41 features and contributed to marketing operations for the theatrical launch of 24 films.

Credit Lines in Keeping with Corporate Performance

The Fund provides distribution companies with lines of credit based on their performance, which is measured in terms of the amounts recouped by Telefilm and box-office receipts. It includes two components. The Principal Fund is available to experienced companies that maintain steady activity in distributing Canadian productions. The Contingency Fund supports recently established companies and those that handle Canadian features to a lesser extent, so as to encourage their corporate development and contribution to the growth of Canadian cinema.

Enhanced Marketing

In 1999-2000, the Fund made commitments totalling \$10.9 million in support of the activities of 10 distribution companies. Disbursements for the year amounted to \$11 million: \$8.2 million for new projects, composed of \$5.1 million in minimum guarantees paid to producers, \$3 million for marketing activities and \$125,000 for corporate loans. A further amount of \$2.8 million went to cover commitment changes and payments against previous-year contracts.

»»» More and more, feature film producers and distributors are using test marketing and screenings to try out their products on various audiences. Product promotion is being diversified and updated, and an increasing number of movies now have a website. This is true for 35% of films made in Montréal, and most marketing plans for 2000-01 include this technology.

It bears noting that this year, for the first time, more than 30% of the Fund's resources for new projects was allocated for marketing, a clear indication of the distributors' determination to focus their efforts on promotion. Marketing activities include the production of trailers, ad campaigns (including TV spots), print costs, director and star promotional travel, publicists, test screenings, test marketing and website design and construction.

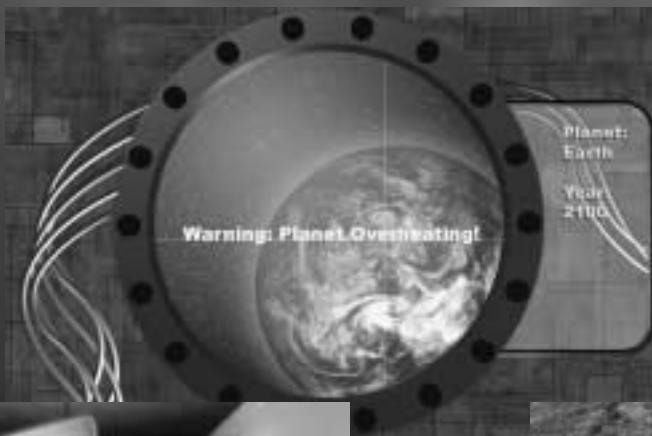
FEATURE FILM DISTRIBUTION FUND

Companies that received support

	Principal Fund In thousands of dollars	Contingency Fund In thousands of dollars	Total In thousands of dollars
AVAILABLE FUNDS	10,523	990	11,512
TOTAL	10,523	990	11,512
USE OF FUNDS			
Alliance Releasing/Odeon Films*	2,562	-	2,562
Aska Film Distribution	-	122	122
Compagnie France Film	874	-	874
Film Tonic	805	218	1,023
Films Lions Gate	2,813	-	2,813
Films Seville	1,650	-	1,650
Motion International	933	-	933
Red Sky Entertainment	-	326	326
Remstar Distribution	599	15	614
Société de distribution Cinéma Libre	-	90	90
TOTAL	10,236	771	11,007

* Odeon Films is now part of Alliance Releasing.

MULTIMEDIA



MULTIMEDIA FUND

Project breakdown by component – includes amendments to previous-years commitments

	Number of projects	Budgets		Telefilm Canada Contribution	
		In thousands of dollars	In thousands of dollars	In thousands of dollars	% of budgets
DEVELOPMENT					
French	8	1,629	494	30.3	
English	25	3,005	1,255	41.8	
Subtotal – Development	33	4,634	1,750	37.8	
PRODUCTION					
French	6	3,256	954	29.3	
English	11	4,912	1,565	31.9	
Subtotal – Production	17	8,168	2,519	30.8	
MARKETING					
French	5	1,432	550	38.4	
English	10	2,470	1,043	42.2	
Subtotal – Marketing	15	3,901	1,593	40.8	
TOTAL	65	16,703	5,861	35.1	

GEOGRAPHIC BREAKDOWN OF PROJECTS

according to the location of the companies with which the Corporation signed multimedia development, production and marketing contracts (includes amendments to previous-years commitments)

Location	Number of projects	Budgets		Telefilm Canada Contribution	
		In thousands of dollars	In thousands of dollars	In thousands of dollars	% of budgets
Montréal	22	7,428	2,411	32.5	
Toronto	12	2,157	898	41.6	
Subtotal	34	9,585	3,309	34.5	
British Columbia	18	3,768	1,606	42.6	
Alberta	1	225	100	44.5	
Saskatchewan	1	129	45	35.0	
Manitoba	0	0	0	0.0	
Ontario (excluding Toronto)	1	234	65	27.8	
Quebec (excluding Montréal)	4	1,189	420	35.3	
New Brunswick	0	0	0	0.0	
Nova Scotia	5	1,457	286	19.6	
Prince Edward Island	0	0	0	0.0	
Newfoundland	1	117	30	25.6	
Subtotal	31	7,118	2,552	35.9	
TOTAL	65	16,703	5,861	35.1	

MULTIMEDIA FUND

In the area of new media, fiscal 1999-2000 is notable for projects of exceptional quality, diverse themes, strong international market penetration and success on a global scale. Moving into the multimedia field in force, Canadian creators have shown that they are on the leading edge of innovation with respect both to content and new technologies.

With a budget of \$30 million spread over five fiscal years, 1998 to 2003, Telefilm Canada's Multimedia Fund contributes to that vitality. During the year, the Fund provided support in the amount of \$5.9 million for the development, production and marketing of Canadian multimedia products for the mass market.

Telefilm administers the Fund as it does its other resources, encouraging high-quality content created by Canadians in all regions, in both English and French, and according special attention to applications from small and medium-sized businesses. The Corporation facilitates access to Canadian multimedia works for domestic audiences and is striving to help Canadian multimedia companies achieve greater stability and solid financial positioning.

1999-2000 Results

The Multimedia Fund participated in the financing of 65 projects with combined budgets of \$16.7 million. The Corporation provided 35% of these costs, compared to 33% the previous year. This is higher than Telefilm's contribution to the film and television industry. Multimedia is still a high-risk sector composed of companies that are often undercapitalized and for which a new tradition of public and private partnerships, both Canadian and international, must be created.

The Fund allocated 30% of its commitments to development projects, 43% to production projects and 27% to marketing projects. Since the Fund's inception, more and more projects are completing the development-production-marketing cycle, and as a result, the resources allocated to marketing projects increase each year.

During the year, 66% of overall resources went to projects in English and 34% to projects in French. Regional production was up, accounting for close to 50% of the Fund's resources, but growth remains uneven in Canada's multimedia sector, due chiefly

»»» Multimedia Works

Canadian multimedia products are extraordinary machines for travel in time and space, bursting with sounds, images, stories and colours. They enable us to stroll through Canadian history from the year 1500 to the present, amble freely through imaginary museums, visit the world's most exotic countries, unlock the messages and power of the media, create virtual houses, learn about chemistry from ancient times to the atomic era, explore new planets, command entire fleets of intergalactic vessels and, in the end, invent the future!



to the differences in incentive measures provided by the various provincial governments.

Montréal and Vancouver stand out as Canada's main production centres and respectively received 41% and 27% of the Fund's available resources. Projects also originated in the Prairie provinces, the Atlantic region and different regions of Quebec and Ontario, reflecting a national interest for new creative technologies.

17 Production Projects

An analysis of the financial structure of this year's 17 production projects reveals that Fund support accounted for 31% of the budgets, with 32% coming from the private sector (producers, distributors, crews, services), 5% from private assistance funds, 18% from federal and provincial tax credits, 9% from federal and provincial organizations and 5% from foreign participants.

1999-2000: Some 100 Companies Access the Fund

The Fund supports a variety of projects: documentaries, reference works, educational and edutainment products, action and strategy games, and websites. The projects funded this year came from some 100 Canadian companies, for the most part specialized in multimedia, but also from film and television producers diversifying their operations, and conventional publishing houses exploring new avenues.

EARTHMISSION CLIMATE CHANGE STRATEGY GAME

EOA Scientific Systems, Inc. In the year 2100, earth's climate has literally become too hot for comfort. In this multimedia game (CD-ROM, DVD and website), teen players travel back to 2000 to save their future by learning about the planet's global climate system.

BUDDY BRUSH AND THE PAINTED CIRCUS

ITP Entertainment Since the launch of the much-praised *Buddy Brush* CD-ROM series in 1999, ITP Entertainment has signed licensing agreements with eight international publishing partners, including Italy, Hong Kong, Israel and Japan. ITP has also signed a distribution deal with Discovery Toys, a leading retailer of educational products for children in North America.



NIKOLAI'S TREATS

H+a
The highly successful Nikolai's Adventures series, which began as a CD-ROM project in 1994, now includes eight disks and a website. CBS in the United States features the Nikolai brand on its CBS Kidshow Online website.

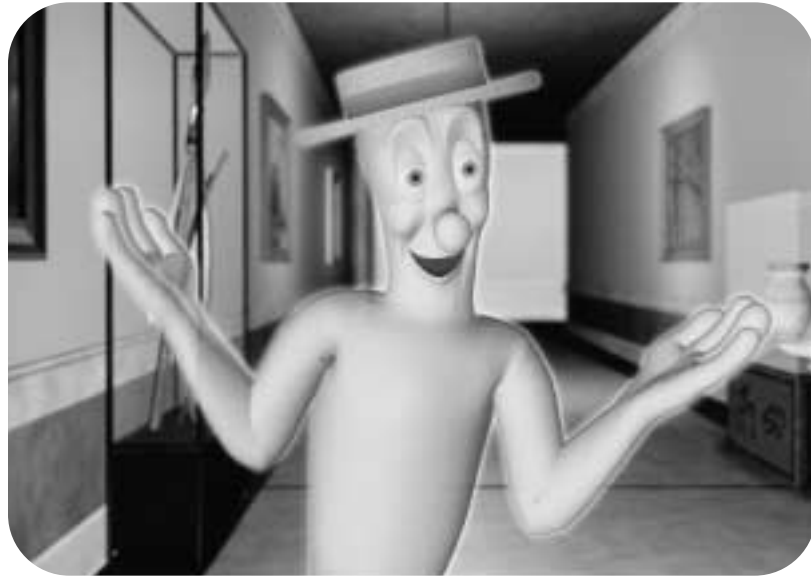
>>> A New National Alliance

1999-2000 saw the foundation of IMPAC, a national alliance of multimedia associations that speaks to the vitality of the multimedia industry. During the year, new communications instruments were developed, including directories, guides, magazines and websites, illustrating the scope, know-how and challenges of an industry that includes more than 1,000 companies throughout Canada.

Many projects are designed specifically for children, enabling young consumers to discover the new media through Canadian cultural products that encourage learning, stimulate their imagination and whet their appetite for exploration.



The Corporation's assistance encouraged professional and industrial development in the multimedia sector, principally training, research and promotion activities and publications by multimedia professionals. Support was also provided for corporate development on the international level, with multimedia companies benefiting from Telefilm's logistical and promotional services at international events including MILIA in Cannes, E³ in Los Angeles, MIM in Montréal and the Atlantic Digital Media Festival (ADMF) in Baddeck, Nova Scotia. In 2000-01, Telefilm will also be present at London's ECTS, a market that will open new doors for Canadian creators, producers and distributors.

**MONSTER BY MISTAKE
- ONLINE ADVENTURE/
MONSTRE PAR ERREUR
- L'AVENTURE EN LIGNE**

Cambium Entertainment/
Catapult Productions
Since its debut in the fall of 1999, this highly interactive website for kids has had more than 2.2 million hits. The site has received several awards, including, most recently, the Intermedia-globe Gold Award for best website Design at the World Media Festival. It has also received several Golden Internet awards, including the Golden Future Design Award (fall 1999).

Focus on Training and International Development

The Corporation ensures that the multimedia production and distribution industry is competitive on the national and international markets. In 1999-2000, as per its agreement with the Department of Canadian Heritage, Telefilm contributed \$500,000 to support various industry activities.

**>>> Multimedia Specialists at
Telefilm Canada**

Telefilm Canada makes its multimedia experts' services available to producers and distributors working in the new media field. The multimedia industry also has access to Telefilm's expertise in content, financial and legal analysis, marketing, communications and international relations.

www.telefilm.gc.ca

For further information on Telefilm Canada
and the Canadian film, television and multimedia industry.

FINANCIAL STATEMENTS

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MANAGEMENT REPORT

The financial statements of the Canadian Film Development Corporation are the responsibility of management and have been approved by the Board of Directors of the Corporation. The financial statements have been prepared in accordance with generally accepted accounting principles and, where appropriate, include estimates based on the experience and judgement of management. Management is also responsible for all other information in the annual report and for ensuring that this information is consistent with the financial statements.

Management maintains books of account, financial and management control, and information systems, together with management practices designed to provide reasonable assurance that reliable and relevant information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that operations are carried out effectively. These systems and practices are also designed to provide reasonable

assurance that transactions are in accordance with the *Financial Administration Act* and its regulations, the *Canadian Film Development Corporation Act* and the by-laws and policies of the Corporation.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting as stated above. The Board exercises its responsibilities through the Audit and Finance Committee, which consists of directors who are not officers of the Corporation. The Committee reviews the quarterly financial statements, as well as the annual financial statements and related reports; the Committee meets with the external auditors annually and, may make recommendations to the Board of Directors with respect to these and/or related matters.

The external auditor, the Auditor General of Canada, conducts an independent examination of the financial statements and reports to the Corporation and to the minister Designate of Canadian Heritage.



François Macerola
Executive Director



Danny Chalifour
Director, Finance and Administration

Montreal, Canada
May 26, 2000

AUDITOR'S REPORT TO THE MINISTER OF CANADIAN HERITAGE

I have audited the balance sheet of the Canadian Film Development Corporation as at March 31, 2000, and the statements of operations and equity of Canada and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000, and the results of its operations and its cash flow for the year then ended in accordance with generally accepted accounting principles. As required by the *Canadian Film Development Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation and the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Canadian Film Development Corporation Act* and the by-laws of the Corporation.



Richard Flageole, FCA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 26, 2000

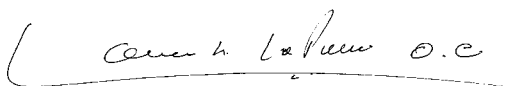
BALANCE SHEET

March 31, 2000, with comparative figures for 1999

	2000 In thousands of dollars	1999 In thousands of dollars
ASSETS		
Current assets		
Receivable from Canada (note 3)	31,454	27,777
Loans (note 4)	1,348	1,075
Accounts receivable	4,090	5,242
Prepaid expenses	540	681
	37,432	34,775
Loans (note 4)	4,399	5,340
Investments	109	109
Capital assets (note 5)	2,113	1,816
	44,053	42,040

See accompanying notes to financial statements.

Approved by the Board:


Laurier L. LaPierre, O.C.
Chairman

	2000 In thousands of dollars	1999 In thousands of dollars
LIABILITIES AND EQUITY OF CANADA		
Current liabilities		
Accounts payable and accrued liabilities	7,339	8,145
Long-term liabilities		
Provision for employee termination benefits	440	773
Deferred lease inducements	879	83
Deferred capital funding (note 6)	2,113	1,816
Obligation under operating lease (note 7)	996	-
	4,428	2,672
Equity of Canada	32,286	31,223
Commitments (note 12)		
Contingencies (note 14)		
	44,053	42,040

See accompanying notes to financial statements.

Approved by Management:



François Macerola
Executive Director

STATEMENT OF OPERATIONS AND EQUITY OF CANADA

Year ended March 31, 2000, with comparative figures for 1999

	Investments	Recoveries on investments	2000 Net amount	1999 Net amount
	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars
ASSISTANCE EXPENSES				
Production and development				
Canadian Television Fund (note 10)	95,763	(11,524)	84,239	97,029
Feature Film Fund	17,537	(3,065)	14,472	17,256
Multimedia	5,719	(298)	5,421	1,103
Production Revenue Sharing Program	1,702	(476)	1,226	985
Official Co-productions	1,286	(437)	849	1,631
Commercial Production Fund	211	(984)	(773)	104
Others	411	(89)	322	329
	122,629	(16,873)	105,756	118,437
Distribution and marketing				
Feature Film Distribution Fund	10,007	(6,337)	3,670	5,829
National and International Marketing	1,228	(155)	1,073	1,389
	11,235	(6,492)	4,743	7,218
Versioning and subtitling				
	2,087	(1,216)	871	851
Complementary activities				
Pre-professional development	2,285	-	2,285	1,300
Industrial and professional development	1,957	-	1,957	1,536
Grants to Canadian festivals	1,908	-	1,908	1,879
Participation in foreign markets	842	-	842	724
Advertising, promotion and publications	547	-	547	457
Participation in foreign festivals	485	-	485	520
Others	170	-	170	183
	8,194	-	8,194	6,599
	144,145	(24,581)	119,564	133,105
OPERATING EXPENSES (note 11)			17,436	15,770
COST OF OPERATIONS FOR THE YEAR			137,000	148,875
REVENUE				
Interest on loans			(26)	(161)
Other interests			(326)	(264)
Management fees			(9)	(33)
Other contribution (note 9)			(1,000)	-
			(1,361)	(458)
NET COST OF OPERATIONS FOR THE YEAR BEFORE GOVERNMENT ASSISTANCE			135,639	148,417
GOVERNMENT ASSISTANCE				
Parliamentary appropriation for operations			77,605	78,301
Contributions from the Department of Canadian Heritage (note 8)			58,099	64,291
Amortization of deferred capital funding (note 6)			998	579
			136,702	143,171
NET PROFIT (LOSS) FROM OPERATIONS			1,063	(5,246)
EQUITY OF CANADA AT THE BEGINNING			31,223	36,469
EQUITY OF CANADA AT THE END			32,286	31,223

See accompanying notes to financial statements.

CASH FLOW STATEMENT

Year ended March 31, 2000, with comparative figures for 1999

	2000 In thousands of dollars	1999 In thousands of dollars
OPERATING ACTIVITIES		
Net profit (loss) from operations	1,063	(5,246)
Adjustments for		
Increase (decrease) in the allowance for loan impairment	3,756	(479)
Write-off of loans not previously provisioned	-	39
Amortization of capital assets	446	529
Loss on disposal of capital assets	541	44
Increase (decrease) in the provision for employee termination benefits	(333)	16
Increase (decrease) in deferred lease inducements	796	(27)
Amortization of deferred capital funding	(998)	(579)
Increase of obligation under operating lease	996	-
	6,267	(5,703)
Variations in non-working capital cash items		
Decrease (increase) in accounts receivable	1,152	(1,329)
Decrease (increase) in prepaid expenses	141	(53)
Decrease in accounts payable and accrued liabilities	(806)	(3,584)
	6,754	(10,669)
FINANCING ACTIVITIES		
Parliamentary appropriation for capital funding	1,295	163
INVESTING ACTIVITIES		
Loans	(4,649)	(5,568)
Repayments of loans	1,561	5,971
Investments	-	(75)
Acquisition of capital assets	(1,295)	(163)
Proceeds from disposal of capital assets	11	6
	(4,372)	171
INCREASE (DECREASE) IN LIQUIDITY	3,677	(10,335)
RECEIVABLE FROM CANADA AT THE BEGINNING <small>(note 3)</small>	27,777	38,112
RECEIVABLE FROM CANADA AT THE END <small>(note 3)</small>	31,454	27,777

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2000

1. AUTHORITY AND ACTIVITIES

The Corporation was established in 1967 by the *Canadian Film Development Corporation Act* with the objective of fostering and promoting the development of a feature film industry in Canada. The Corporation has since been charged with the administration of the Canadian Broadcast Program Development Fund (Television Fund) established on July 1, 1983, within the framework of the Broadcasting Strategy for Canada as well as with the management of various new programs established under the National Film and Video Policy of May 1984. The Act was amended in June 1994 to grant the Corporation the authority to guarantee loans.

In September 1996, the Minister of Canadian Heritage created the Canadian Television Fund (CTF). Created to foster a partnership between the government and the industry, this new fund brings together the Corporation's television fund and the cable distributors production fund. Two financial assistance programs constitute the CTF: the Equity Investment Program and the License Fee Program. The Corporation was given responsibility for the management of the Equity Investment Program.

In July 1997, the Corporation was given responsibility for the administration of the funding program in support of pre-professional development and in July 1998, the management of the Multimedia Fund.

The Corporation is a Crown corporation subject *inter alia* to the provisions of Part VIII of the *Financial Administration Act* as it read before its repeal in 1984 and as if it continued to be named in Schedule C of the Act.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Financing sources of the Corporation

The Corporation obtains its funds mainly from the Government of Canada by means of the parliamentary appropriation and the contributions from the Department of Canadian Heritage. The portion of the parliamentary appropriation used to finance the acquisition of depreciable capital assets is recorded as deferred capital funding on the balance sheet and amortized on the same basis as the related capital assets. The other portion of the parliamentary appropriation and the contributions from the Department of Canada Heritage are recorded on the Statement of Operations and Equity of Canada.

b) Liquidity and amount receivable from Canada

The financial operations of the Corporation are processed through the Consolidated Revenue Fund of Canada, thus the absence of bank accounts. For the purposes of the financial statements, its liquidity consists of a receivable from Canada. The amount receivable from Canada is comprised of the unused cumulative receipts and the disbursements made after year end and related to current year operations.

c) Investments and allowance for losses

Investments include all forms of assistance granted for feature films and Canadian programming, excluding loans. Investments are accounted for as follows:

- Investments granted in return for a share in exploitation revenues and accompanied by pre-established obligations to reimburse on a term generally not exceeding three years are shown on the balance sheet at their face value, less an allowance for losses. The allowance for losses is determined by examining each investment individually and is charged to operations as assistance expenses.
- Investments granted in return for a share in exploitation revenues other than those accompanied by pre-established obligations to reimburse as well as non-recoverable investments are charged to operations as assistance expenses. These expenses are charged to operations in the year in which the funds are paid or have become payable.
- Recoveries on investments, other than those recognized on the balance sheet, are credited to operations as a reduction of assistance expenses in the year in which the funds are received or have become receivable. Any proceeds in excess of the related investment are accounted for as revenues.

d) Loans and allowance for losses

The Corporation grants loans for the financing of Canadian programming, feature films and new media products. Loans are shown on the balance sheet at the principal amount increased by accrued interest receivable, net of an allowance for impairment. The allowance for losses is determined by examining each loan individually and is charged to operations as assistance expenses. The evaluation is based on the receivables taken as security as well as the borrower's financial situation.

A loan is considered to be impaired as a result of a deterioration in credit quality to the extent that the Corporation no longer has reasonable assurance that the full amount of principal and interest will be collected in accordance with the terms of the loan agreement. When a loan is considered impaired, the carrying amount of the loan is reduced to its estimated realizable value by discounting the expected cash flows at the effective interest rate inherent in the loan.

e) Interest revenue

Interest on loans is recorded as income on an accrual basis except for loans which are considered impaired. When a loan becomes impaired, recognition of interest in accordance with the terms of the original loan agreement ceases.

f) Other interest revenue

Other interest revenue is recognized on an accrual basis and represents the amounts charged on all amounts, other than loans, due to the Corporation, less an allowance for losses. This allowance for losses is determined by examining each amount individually.

g) Capital assets

Capital assets are recorded at cost. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Computer installations	Diminishing-balance	20%
Software	Straight-line	5 years
Furniture and equipment	Diminishing-balance	20%
Leasehold improvements	Straight-line	Terms of the leases

h) Employee termination benefits

On termination of employment, employees are entitled to certain benefits provided for under their conditions of employment. The cost of these benefits is expensed in the year in which they are earned by the employees.

i) Pension plan

Admissible employees participate in the superannuation plan administered by the Government of Canada. The employees and the Corporation contribute equally to the cost of the plan. This contribution represents the total liability of the Corporation. Contributions in respect of current services and admissible past services are expensed during the year in which payments are made. The Corporation is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

j) Measurement uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. The allowance for losses on impaired loans, employee termination benefits and contingencies are the most significant items where estimates are used. Actual results could differ from those estimates.

3. RECEIVABLE FROM CANADA

The receivable from Canada includes the following amounts recognized on the balance sheet:

	2000 In thousands of dollars	1999 In thousands of dollars
Unused cumulative receipts	25,019	19,926
Disbursements made after year end and related to current year operations	6,435	7,851
	31,454	27,777

4. LOANS AND ALLOWANCE FOR LOSSES

Loans with a carrying value of \$8,394,852 (\$5,020,537 in 1999) granted for production and marketing projects in the Multimedia Fund are interest-free loans. Generally these loans are repayable in twelve consecutive equal monthly installments beginning twelve to twenty-four months after the agreed completion date of the project. For other loans, interest charged does not exceed the prime rate plus 2%. The loans have a term generally not exceeding three years.

As at March 31, the loans are detailed as follows:

	Amount In thousands of dollars	Allowance for losses In thousands of dollars	2000 Net amount In thousands of dollars	1999 Net amount In thousands of dollars
Loans	5,747	-	5,747	6,251
Impaired loans	4,161	(4,161)	-	164
	9,908	(4,161)	5,747	6,415
Less current portion	2,676	(1,328)	1,348	1,075
Long-term portion	7,232	(2,833)	4,399	5,340

4. LOANS AND ALLOWANCE FOR LOSSES (CONTINUED)

The allowance for losses is detailed as follows:

	2000 In thousands of dollars	1999 In thousands of dollars
Balance at beginning	525	1,004
Write-offs	(120)	-
Recoveries	(272)	(510)
Allowance	4,028	31
Balance at end	4,161	525

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2000 Net	1999 Net
	In thousands of dollars	In thousands of dollars	In thousands of dollars	In thousands of dollars
Leasehold improvements	1,391	518	873	314
Software	3,558	2,885	673	496
Computer installations	2,019	1,511	508	784
Furniture and equipment	1,045	986	59	222
	8,013	5,900	2,113	1,816

6. DEFERRED CAPITAL FUNDING

The amount presented on the balance sheet is detailed as follows:

	2000 In thousands of dollars	1999 In thousands of dollars
Balance at beginning	1,816	2,232
Parliamentary appropriation for capital funding	1,295	163
Amortization of deferred capital funding	(998)	(579)
Balance at end	2,113	1,816

7. OBLIGATION UNDER OPERATING LEASE

In the year ended March 31, 2000, the Corporation ceased using an asset for which a long-term lease was signed. The future net rent payable under this lease has been expensed in the year and set up as liability.

8. CONTRIBUTIONS FROM THE DEPARTMENT OF CANADIAN HERITAGE

The contributions received from the Department of Canadian Heritage are detailed as follows:

	2000 In thousands of dollars	1999 In thousands of dollars
Canadian Television Fund – Equity Investment Program	49,775	57,241
Multimedia	5,750	5,750
Pre-professional Development	2,400	1,300
Other	174	-
	58,099	64,291

9. OTHER CONTRIBUTION

The Corporation received a contribution in the amount of \$1,000,000 from the Canadian Television Fund – License Fee Program, representing the financing of Canadian television programming in Aboriginal languages.

10. CANADIAN TELEVISION FUND – EQUITY INVESTMENT PROGRAM

The Equity Investment Program is financed by a contribution from the Department of Canadian Heritage and the annual operating budget of the Corporation. The cost of operations for the program excluding operating expenses is detailed as follows:

	Corporation In thousands of dollars	Department In thousands of dollars	2000 Total In thousands of dollars	1999 Total In thousands of dollars
Investments				
Canadian programming	47,798	39,319	87,117	93,082
Feature films	–	8,646	8,646	16,067
	47,798	47,965	95,763	109,149
Recoveries on investments	(8,159)	(3,365)	(11,524)	(12,120)
	39,639	44,600	84,239	97,029

11. OPERATING EXPENSES

	2000 In thousands of dollars	1999 In thousands of dollars
Salaries and employee benefits	8,490	8,480
Rent, taxes, heating and electricity	1,623	2,141
Professional services	1,428	1,440
Office expenses	1,171	1,041
Travel	695	717
Loss on assets disposal	541	44
Amortization	446	529
Relocation	231	108
Advertising and publications	206	279
Telecommunications	201	208
Hospitality	80	61
Subtotal	15,112	15,048
Expenses from the Canadian Television Fund Board	366	722
Loss on operating lease (note 7)	1,958	–
TOTAL	17,436	15,770

12. COMMITMENTS**a) Projects**

As at March 31, 2000, the Corporation is contractually committed to advance funds as loans and investments:

	Corporation In thousands of dollars	Department In thousands of dollars	Total In thousands of dollars
Canadian Television Fund			
– Equity Investment Program	14,098	7,980	22,078
Other programs	7,158	1,829	8,987
	21,256	9,809	31,065

In addition the Corporation has accepted to finance projects that may call for disbursements totaling \$319,918. Under the Production Revenue Sharing Program, the Corporation has reserved funds totaling \$1,789,048 as at March 31, 2000, for the financing of projects yet to be submitted under certain conditions.

b) Leases

The Corporation has entered into long-term leases for the rental of office space and equipment used in its operations. The aggregate minimum annual rentals payable during subsequent years are as follows:

	Total In thousands of dollars
2001	2,616
2002	2,638
2003	2,568
2004	1,141
2005	672
2006-2015	5,379
	15,014

13. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Canada created departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business, and they are recorded at exchange value.

14. CONTINGENCIES

The Corporation guarantees the reimbursement of loans or debts incurred by third parties with financial institutions within the loan guarantee program. The total amount of the Corporation's guarantees cannot exceed, at any time, \$25,000,000. The interest rate cannot exceed the lending institutions' prime rate plus 2%, and eligible security must be obtained from the borrower. The guarantees as at March 31, 2000 totaled \$1,452,379 (1999 – \$2,660,961). A provision for losses is recorded when management can estimate that a loss is likely to occur.

In the normal course of business, various claims and lawsuits have been brought against the Corporation. In the opinion of management, the losses, if any, which may result from the settlement of the matters are not likely to be material and accordingly no provision has been made in the accounts of the Corporation. In the event that such expenses were to occur, they would be charged to expense when determined.

15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts reported for investments, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

The following table represents the carrying amounts and fair values of the Corporation's other financial instruments:

	2000		1999	
	Carrying amount In thousands of dollars	Fair value In thousands of dollars	Carrying amount In thousands of dollars	Fair value In thousands of dollars
Short-term loans	1,348	1,236	1,075	952
Long-term loans	4,399	3,690	5,340	4,524

The fair values of loans have been established by discounting the future contractual cash flows under current loan arrangements, at discount rates equal to the prevailing market rate of interest for financial instruments having substantially the same terms and characteristics.

16. COMPARATIVE FIGURES

Some of the 1999 comparative figures have been reclassified to conform with the presentation adopted for 2000.