

Financial Highlights
(in thousands of dollars)

| | 1999 ¹ | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 ⁴ | 2009 ⁵ | 2010 ⁷ | 2011 ⁹ | 2012 | 2013 | 2014 | 2015 | 2016 | TOTAL |
|---|-------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------|-------------------|-------------------|-------------------|----------|----------|----------|----------|----------|------------|
| Revenue | \$ - | \$ 7,245 | \$ 24,258 | \$ 27,809 | \$ 28,425 | \$ 39,366 | \$ 35,075 | \$ 37,158 | \$ 32,493 | \$ 29,314 | \$ 23,734 | \$ 18,578 | \$ 12,672 | \$ 9,931 | \$ 7,782 | \$ 6,437 | \$ 4,461 | \$ 3,389 | \$ 348,127 |
| Expenses | | | | | | | | | | | | | | | | | | | |
| Tariffs & research | 1757 | 6 | 439 | 449 | 916 | 1214 | 1090 | 1058 | 900 | 721 | 802 | 994 | 1174 | 1000 | 479 | 234 | 269 | 155 | 13657 |
| Collection & enforcement | | 17 | 143 | 362 | 1237 | 1129 | 1584 | 1351 | 1452 | 1723 | 1370 | 1284 | 703 | 562 | 344 | 261 | 202 | 232 | 13956 |
| Legal & professional | 7 | 111 | 176 | 57 | 129 | 111 | 96 | 78 | 66 | 72 | 53 | 94 | 82 | 123 | 97 | 42 | 39 | 43 | 1476 |
| Distribution | | 0 | 95 | 174 | 240 | 169 | 147 | 149 | 164 | 181 | 200 | 183 | 208 | 176 | 184 | 173 | 167 | 176 | 2786 |
| Administration | 111 | 265 | 197 | 274 | 392 | 533 | 499 | 506 | 543 | 541 | 554 | 609 | 579 | 559 | 507 | 709 | 356 | 250 | 7984 |
| Communications & Govt. relations | 44 | 11 | 8 | 155 | 237 | 169 | 242 | 207 | 199 | 496 | 487 | 664 | 545 | 193 | 15 | 1 | 1 | 68 | 3742 |
| Travel & related | 2 | 4 | 8 | 9 | 16 | 9 | 13 | 10 | 14 | 9 | 14 | 15 | 16 | 9 | 7 | 4 | 1 | 2 | 162 |
| Other | 13 | 0 | 0 | 40 | 61 | 0 | 36 | 0 | 0 | 35 | (16) | 0 | 0 | 67 | 0 | 0 | 0 | 0 | 236 |
| Amortization | | 1 | 7 | 13 | 21 | 24 | 33 | 32 | 38 | 14 | 10 | 6 | 2 | 1 | 1 | 1 | 1 | 1 | 206 |
| Provision for GST | | 0 | 0 | 0 | 715 | 208 | 149 | 36 | 229 | (842) | (27) | 86 | 117 | (1230) | (789) | 0 | 0 | 0 | (1348) |
| Net Zero-rating expenses | | 0 | 0 | 0 | 200 | 180 | 109 | 159 | 72 | 100 | 59 | 97 | 133 | 95 | 104 | 69 | 41 | 22 | 1440 |
| Total Expenses | \$ 1,934 | \$ 415 | \$ 1,073 | \$ 1,533 | \$ 4,164 | \$ 3,746 | \$ 3,998 | \$ 3,586 | \$ 3,677 | \$ 3,050 | \$ 3,506 | \$ 4,032 | \$ 3,559 | \$ 1,555 | \$ 949 | \$ 1,494 | \$ 1,077 | \$ 949 | \$ 44,297 |
| Expense/revenue ratio | - | 5.72% | 4.42% | 5.51% | 14.65% | 9.52% | 11.40% | 9.65% | 11.32% | 10.40% | 14.77% | 21.70% | 28.09% | 15.66% | 12.19% | 23.20% | 29.70% | 28.00% | 12.22% |
| Unrealized Gain(Loss on Investment)^{2,11} | | | | | | | | \$ (909) | \$ 1,291 | \$ 1,349 | \$ (822) | \$ (52) | \$ (857) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Available for distribution | \$ (1,934) | \$ 6,830 | \$ 23,185 | \$ 26,276 | \$ 24,261 | \$ 35,620 | \$ 31,077 | \$ 33,572 | \$ 27,907 | \$ 27,555 | \$ 19,846 | \$ 14,546 | \$ 9,113 | \$ 8,376 | \$ 6,833 | \$ 4,943 | \$ 3,385 | \$ 2,440 | \$ 303,830 |
| Distribution payments to date³ | \$280,374 | | | | | | | | | | | | | | | | | | |

¹ Figures cited for 1999 should be interpreted in light of the following circumstances: (i) Audited financial statements for fiscal 1999 cover a 10-month period only, the CPCC having been incorporated on March 1 of that year; (ii) In accordance with the terms

² Effective January 1, 2007 the CPCC adopted the provisions of the CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement, which addressed the classification, recognition and measurement of financial instruments in the

³ This figure is cumulative and reflects distribution of royalties collected for 2000 - 2015.

⁴ In 2008, the CPCC collected \$2,918 for prior years.

⁵ In 2009, the CPCC collected \$847 for prior years.

⁶ The amount available for distribution for 2009 has been reduced by the cumulative unrealized gain on investments of \$1,731 for a net available for distribution of \$19,846.

⁷ In 2010, the CPCC collected \$1,015 for prior years.

⁸ The amount available for distribution for 2010 does not include the unrealized loss on investments of \$822.

⁹ In 2011, the CPCC collected \$334 for prior years.

¹⁰ The amount available for distribution for 2011 does not include the unrealized loss on investments of \$52.

¹¹ Effective January 1, 2012, the CPCC adopted the requirements of the Canadian Institute of Chartered Accountant's Handbook and has adopted Canadian Accounting Standards for Not-for-Profit Organizations. In accordance with the provisions of the CICA

¹² The adjustment of \$857 reflects the change in the treatment of investments outlined in note 11. The amount available for distribution for 2012 does not include the adjustment of \$857.

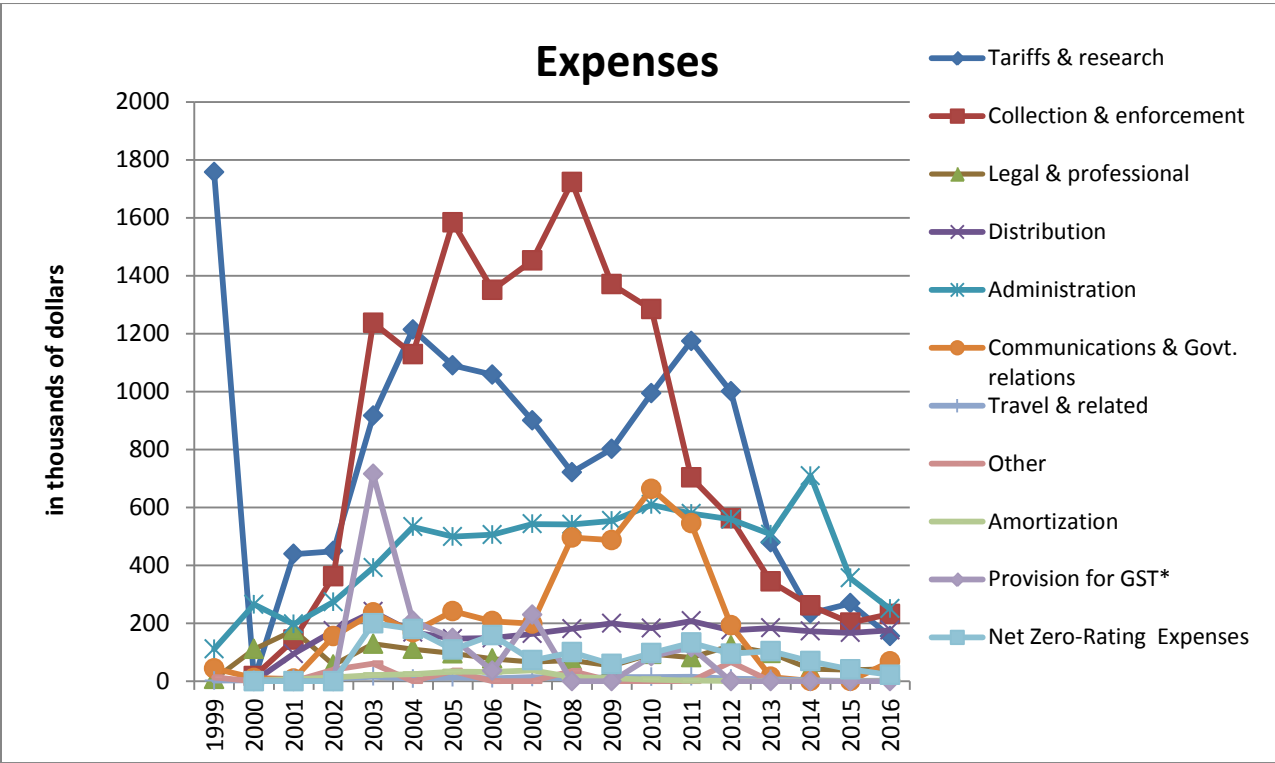
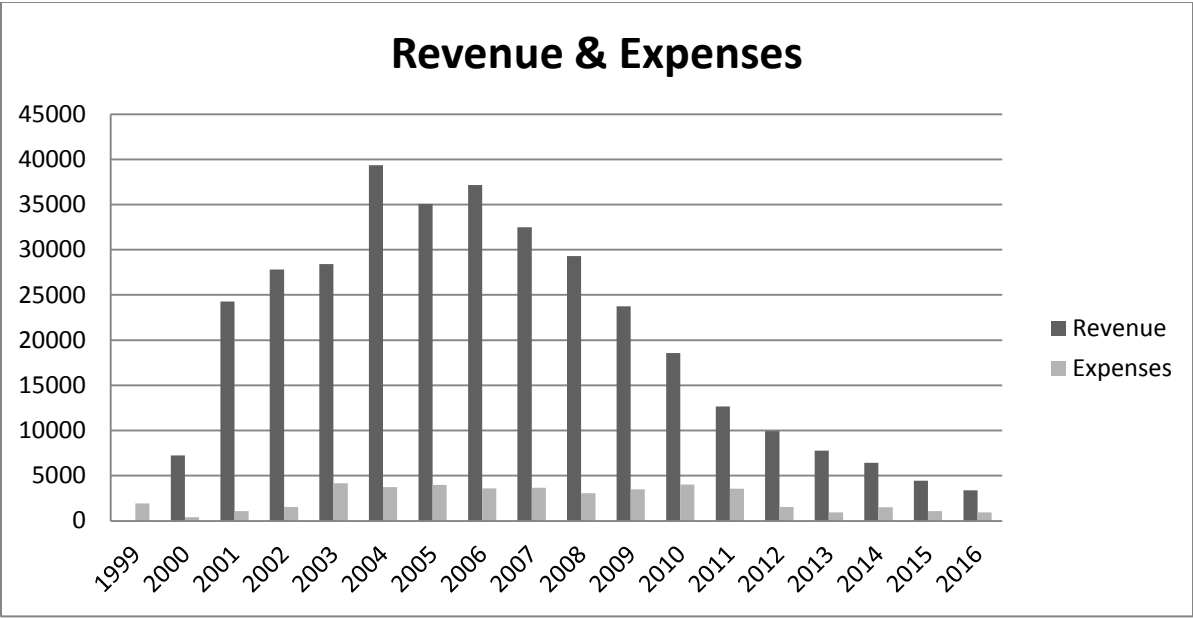
¹³ In 2013, the CPCC collected \$351 for prior years.

¹⁴ In 2014, the CPCC collected \$426 for prior years.

¹⁵ In 2015, the CPCC collected \$7 for prior years.

EXPENSE HIGHLIGHTS

- 1999** The CPCC is incorporated in March.
Private Copying Tariff 1999-2000 hearing is held.
Financial statements for the ten month period ending December 31, 1999 were prepared on a cash rather than an accrual basis. Consequently, most expenses incurred in support of the tariff sought for the years 1999 and 2000 combined were accounted for in 1999.
The CPCC begins to collect the private copying levy after Private Copying Tariff 1999-2000 is issued on December 17.
- 2000** Private Copying 2001-2002 hearing is held (costs for 2001/2002 hearing amortized over the term of the tariff).
- 2001** The CPCC hires the collective's first full time staff member.
Start-up costs were incurred from 2001 to 2003 for the development of the private copying distribution methodology.
- 2003** Private Copying 2003-2004 hearing held (costs for 2003/2004 hearing amortized over the term of the tariff).
The CPCC hires the collective's first Executive Director and other administrative staff.
The CPCC increases Collection and Enforcement staff.
The CPCC begins to litigate against evaders.
The CPCC expands its audit program.
The CPCC sets aside funds to cover a potential liability for GST pending a voluntary disclosure with CRA.
The CPCC starts the new zero-rating program in September.
- 2004** Judicial Review is held on the Private Copying Tariffs 2003-2004.
- 2005** The CPCC hires In-House Litigation Counsel.
The CPCC increases enforcement efforts through litigation, investigation and audits.
- 2006** Private Copying 2005-2007 hearing is held (costs for the hearing amortized over the remaining term of the tariff).
- 2007** Effective January 1, 2007 the CPCC adopted the provisions of the CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement, which addressed the classification, recognition and measurement of financial instruments in the financial statements. Financial Instruments are now recorded at fair value and were previously recorded at cost plus accrued interest.
- 2008** Private Copying 2008-2009 hearing is held (costs for the hearing amortized over the term of the tariff).
The CRA processes the CPCC's voluntary disclosure and the CPCC reverses the over accrual.
- 2009** Private Copying 2010 hearing is held (costs for the hearing amortized over the term of the tariff).
- 2010** The Private Copying Tariff 2011 was set by the Copyright Board on December 17, 2010.
- 2011** The interim tariff for 2012 - 2013 was issued by the Copyright Board on December 19, 2011.
- 2012** Effective January 1, 2012, the CPCC adopted the requirements of the Canadian Institute of Chartered Accountant's Handbook and has adopted Canadian Accounting Standards for Not-for-Profit Organizations. In accordance with the provisions of the CICA Handbook, Financial Instruments Section 3856 which addresses the classification, recognition and measurement of financial assets, the CPCC has elected to measure its investment in debt type instruments at amortized cost. Previously, these types of investments were measured at fair value.
- The Canada Revenue Agency (CRA) allowed the CPCC's claim for input tax credits on non-administrative services and refunded \$1,307,902 inclusive of interest.
- 2013** The CPCC received a GST refund of \$788,619, inclusive of \$60,951 interest, as a result of amendments to the *Exise Tax Act*.
- 2014** The Private Copying Tariffs 2015 and 2016 were issued by the Copyright Board on December 13, 2014.
- 2016** The Private Copying Tariff 2017 was set by the Copyright Board on December 17, 2016.



Breakdown of Expenses 2016 (% of revenue)

