

Newfoundland and Labrador Film
Development Corporation

2015-2016 ANNUAL REPORT



Business, Tourism, Culture and
Rural Development

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MESSAGE FROM THE CHAIR

As Chair of the Board for the Newfoundland & Labrador Film Development Corporation (NLFDC), I am pleased to present its annual report for the fiscal year 2015-16. The annual report is submitted in accordance with the obligation as a category two entity under the *Transparency and Accountability Act*, prepared under the direction of the Board which is accountable for the actual results reported.

The NLFDC is very pleased to report that 2015-16 was the best year ever for the film and television industry in this province. Total production activity reached a volume of \$45.8 million. This total is more than \$3 million higher than that which has been achieved in any year previously. We heartily congratulate the local talent, companies, workers involved in making this success a reality and to the Provincial Government for their continued support.

To put this in perspective, prior to the formation of the NLFDC, total production activity averaged less than \$1 million per year in Newfoundland and Labrador, and was based on the irregular occurrence of one-off projects. Today, having a total production activity of \$45.8 million means that more than 600 full-time employment (FTE) equivalencies (direct, indirect and induced) were created by local companies in the film and television industry last year alone.

This brings the total of all production activity since the NLFDC was created in 1997 to \$359 million, creating over 4600 FTEs. These are significant numbers in an economy the size of Newfoundland and Labrador's, especially at a time when opportunities in other employment sectors have been challenged.

The jobs created by screen industries are well-paid, highly-skilled positions. These jobs are technical, creative and help keep young people here. Investing in screen projects has many positive results for the province beyond employment, including new spending leveraged into the province and taxation revenue.

Five features were shot – *Away From Everywhere*, *Pays*, *Hunting Pignut*, *Braven*, and Irish-Canadian co-production *Maudie* – also a new one year record for our industry. *Passage Interdit*, a French television series tapping the French outside of Quebec production market provided excellent professional development for emerging talent. Following *Republic of Doyle*, the *Frontier* series demonstrated that we can compete on an international stage and that a big period drama can be successfully helmed here. And, never to be forgotten, the supreme sacrifice of Newfoundland during the Great War was explored in two documentaries, *When the Boys Came Home* and *Newfoundland at Armageddon*.

Also deserving special mention, Stephen Dunn's Closet Monster premiered at the Atlantic Film Festival and TIFF, where it was awarded Best Canadian Feature Film, a remarkable achievement for a first feature. The NLFDC has proudly witnessed Stephen's progress as a writer-director of films set in Newfoundland since his earliest projects. His accomplishments are a huge success story for the local film community and clearly demonstrate that in a creative industry, targeted support in small amounts at the right times will reap big rewards. We look forward to his future projects.

It is essential, in order for our industry to grow, that our crew, filmmakers and producers are able to continue to participate in targeted professional development and marketing opportunities, not just locally but nationally and internationally. All screen industry productions are export projects. We thank our colleagues at the Atlantic Canada Opportunity Agency (ACOA) and the Department of Business, Tourism, Culture and Rural Development for their ongoing partnerships with us.

One screen industry that has seen rapid growth is interactive digital media. In recognition of this opportunity, in 2015-16 the Government of Newfoundland and Labrador launched an Interactive Digital Media Tax Credit. This is the culmination of much work by many individuals within Government and industry. The NLFDC is co-administering this tax credit and looks forward to the growth in our province of this industry, which has been valued at over \$75 billion US worldwide, and in which Canada is already a leader.

Locally, the interactive digital media sector comprises vibrant, growing companies, which retain Newfoundlanders and Labradorians with fulfilling employment and import big-brained talent into our province to become residents here. The NLFDC predicts a very positive future for this industry, with the support of Government.

Sincerely,



Paul Lannon
Chair, Board of Directors (NLFDC)

OVERVIEW

Background

The NLFDC was founded by the Government of Newfoundland and Labrador in 1997. Currently, the corporation reports to the Provincial Government through the Minister of the Department of Business, Tourism, Culture and Rural Development (BTCRD), which is the single shareholder holding 300 common shares with no monetary value. The Executive Director/Film Commissioner of the Corporation reports to the Chairperson of the Board of Directors who, in turn, reports directly to the Minister of BTCRD.

In 2015-16 the NLFDC had an Operating/Marketing budget of \$740,900 and a \$1,955,000 budget for use in the Equity Investment Program. See the audited details in the Financial Statements section.

Contact Information

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Legislation

Legislative authority for the Board resides in its incorporation as a Non-Profit Development Corporation under the *Corporations Act* of Newfoundland and Labrador.

Mandate

As a Crown Corporation, the NLFDC's mandate is to promote the development of the indigenous film and video industry in the province and to promote the province's film and television products and locations nationally and internationally.

The NLFDC is the front line of the film industry to the public and, on behalf of Newfoundland and Labrador, to the nation and the world. It fields many requests and enquiries concerning Newfoundland and Labrador as a shooting location and advises local filmmakers, production companies and crew. The NLFDC provides information on all elements of the film industry including its own programs and those of other local organizations, as well as information regarding national funders, broadcasters, and distributors. The NLFDC partners with local, regional and national organizations and sits on national committees. In the past the NLFDC has chaired the Association of Provincial Funding Agencies and currently co-chairs the National Tax Credit Committee. In these ways it helps to promote the development of the industry in Newfoundland and Labrador.

Vision

A viable, healthy and stable film industry in Newfoundland and Labrador.

Mission

The Board of Directors of the NLFDC feels that in order to satisfy the Mandate and ascertain its Vision, by 2017, the NLFDC will have insured the continued development of the film industry in NL by working with producers, fellow provincial organizations, national and international funding bodies to develop an environment where the industry is stable and continuing to grow.

By March 31, 2017, the NLFDC will have continued to foster the growth and ensured stability of the Newfoundland and Labrador Film industry through work with its partners.

Board of Directors

The Corporation has an eight-member Board of Directors that meet on a quarterly basis. Five are voting members, while the remaining one is a non-voting ex-officio member from BTCRD. At the end of this reporting period, March 31, 2016 the board consisted of the following members:

Chairperson Paul Lannon, St. John's, General Manager, Harbour Grace Ocean Enterprises

Members Noreen Golfman, St. John's, Vice President (Academic) Memorial University of Newfoundland
Mark Sexton, St. John's, Branch Manager/Wealth Advisor Scotia McLeod
Cheryl Stagg, Stephenville, Fred R. Stagg Law Office
Colleen Kennedy, Rocky Harbour, Gros Morne Co-op Association
Craig Goudie, Grand Falls Windsor, Retired Teacher
Dan Boone, St. John's, Stewart McKelvey Lawyers
Gerry Osmond, St. John's, Director of Arts, Department of BTCRD

Lines of Business

The NLFDC is an entity that fosters and supports the local film industry. Through its six programs, the NLFDC offers local producers and outside producers/productions the support needed to help the province's screen industries to flourish. The NLFDC's Lines of Business are the Equity Investment Program (EIP), the Film and Video Tax Credit, the Interactive Digital Media Tax Credit (NLIDMTC), the Sponsorship Program, Professional Development and the marketing of Newfoundland and Labrador as a production-ready province.

The Equity Investment Program

The EIP provides funding in the form of equity investment to eligible producers for the financing of productions. The NLFDC will normally provide a maximum contribution of 20 percent of the total production budget. In order to access these funds, applicants must be incorporated in the province and must be owned 51 percent or more by residents of Newfoundland and Labrador.

Co-productions with other provinces are eligible to apply for equity funding if there is a qualified Newfoundland and Labrador producer sharing the financial and creative risks and rewards throughout the development, production and distribution of the project. The Newfoundland and Labrador co-producer must retain no less than a 33 percent ownership position in the copyright of the production. For international co-productions, they must retain no less than 20 percent.

Film and Video Tax Credit Program

The province of Newfoundland and Labrador offers a Film and Video Industry Tax Credit which is administered by the NLFDC. It is a fully refundable corporate income tax credit based on the amount of your production budget spent on Newfoundland and Labrador labour.

The tax credit is calculated as 40 percent of the total eligible labour expenditures to a maximum of 25 percent of the total eligible production budget. The tax credit has an additional feature called the "Deeming Provision" wherein amounts paid to nonresidents in key positions may be included in the tax credit calculation when a qualified resident is not available and the non-resident serves as a mentor of a resident of the province.

Interactive Digital Media Tax Credit

Effective January 1, 2015, eligible companies developing eligible interactive digital media products in the province may avail of the new NL Interactive Digital Media Tax Credit. This credit will be 40% of qualifying expenditures. Eligible expenditures include eligible salaries and 65% of eligible remuneration. The credit is a refundable tax credit. The Interactive Digital Media Tax Credit is based

on eligible salaries and eligible remuneration incurred by an eligible corporation for the development of interactive digital media products during the period of January 1, 2015 to December 31, 2019 inclusive. To be eligible for the Interactive Digital Media credit, a corporation developing an interactive digital media product must:

1. Be primarily carrying on the business of interactive digital media development;
2. Have a permanent establishment in the province of NL;
3. Be a taxable Canadian corporation;
4. Hold a valid registration certificate under the Interactive Digital Media Tax Credit Program.

The credit value is limited to \$40,000 per employee per year and \$2 million per company, or group of associated companies, per year. The value of the credit may also be reduced subject to government assistance received in respect of the project. The NLFDC co-administers this tax credit with the provincial Department of Finance.

Sponsorship Program

The NLFDC's Sponsorship Program is designed to foster and promote the development and growth of the local film and video industry participants. The program provides qualified individuals and organizations with funding assistance, which enables them to promote the products of the local industry. This will be achieved through three distinct sub-programs: Promotional Travel, Marketing and Distribution, and Workshop Assistance.

Professional Development

The NLFDC has a full-time Industry Analyst who works on behalf of crew, producers, and filmmakers to organize and support specific workshops, training opportunities, job placements, and other projects designed to increase the local industry's capacity. The industry analyst also administers the Deeming Provision of the Tax Credit (described above) which supports these efforts.

The deeming clause of the tax credit is an essential tool in the province to enhance the professional crew base. Through this clause, a portion of the salaries of outside senior crew who train local personnel becomes eligible for the tax credit.

Other partnerships that frequently support professional development for the local film industry include NIFCO, the SJIWFF, the NIFF, College of the North Atlantic Film and Video Program, Sir Wilfred Grenfell College, the Canadian Media Production Association, Telefilm, the National Screen Institute and the Banff Centre.

Marketing Newfoundland and Labrador

The NLFDC supports the provincial film industry's ability to solicit and attract business by nationally and internationally marketing our industry and the province itself as an on-site location. Shooting on location requires access to high-caliber crew and available services. The NLFDC markets the province as being able to offer professionalism through individuals who know the community, its people, geography, weather, laws, services and culture. The NLFDC is responsible for promoting the province's ability to provide all of these features and to accommodate large-scale production.

The events that the NLFDC supports to actively promote the province as a destination for production include: the Berlin International Film Festival; The Cannes Film Festival; Banff World Television Festival; Produced By Conference (Los Angeles); Toronto International Film Festival; Strategic Partners (at the Atlantic Film Festival); American Film Market (Los Angeles); and strategic trade missions.

The NLFDC will continue to reach the markets offered by these events and also plans to attend other innovative industry events that will help promote the province.

SHARED COMMITMENTS

The NLFDC continued to work with BTCRD to set priority actions and to ensure connectivity to larger government programs. Through this collaboration, departmental and NLFDC funding programs are aligned to identify opportunities to educate stakeholders and champions of the film industry.

The NLFDC also continued to work with the Department of Finance concerning tax credits (film and television and interactive digital media) to ensure that the credits are efficient and competitive. The NLFDC sat on and co-chaired the National Tax Credit Committee to keep abreast of national developments and policies. The NLFDC also worked with the Producers Association of NL (PAN), the NL Independent Filmmakers' Cooperative (NIFCO) and ACOA on key aspects of industry development, marketing and support.

The NLFDC continued to participate in the International Business Development Group (IBDG) chaired by Telefilm Canada which includes representatives from all Canadian financial partners including Telefilm Canada, the Canadian Media Fund (CMF), the NL Interactive Digital Media Alliance, the Association of Provincial Film Funding Agencies (APFA) and industry partners Canadian Media Producers Association (CMPA), and the Department of Foreign Affairs, Trade and

Development. This committee is responsible for overseeing the Canadian marketing presence at international events.

The NLFDC is also a member of the Association of Film Commissioners International (AFCI) which assisted film commissioners worldwide to promote their incentives and locations, and allowed the NLFDC to keep abreast of developments on incentives internationally. With the Atlantic Canada Film Partners (ACFP), the NLFDC undertakes joint industry initiatives and events which are attended by producers, broadcasters, distributors and funders. Through the Atlantic Film Festival/Strategic Partners, the NLFDC participated in many meetings with potential coproduction partners and attends various panels on emerging trends and strategies on international coproduction financing.

The NLFDC also facilitated workshops and other professional development and training initiatives in partnership with industry organizations such as the International Alliance of Theatrical Stage Employees (IATSE), the St. John's International Women's Film Festival (SIWFF), the Nickel Film Festival, PAN, the Grenfell Campus of Memorial University of Newfoundland and the College of the North Atlantic (CAN) Film and Video Production program in Stephenville.

HIGHLIGHTS AND ACCOMPLISHMENTS

This past year was one of many notable achievements and continued strength. The NLFDC reports a total of over \$45.8 million in film and television production activity in the province in 2015-16. On average, over 70 percent of the funds used to make large-scale film and television productions were leveraged from outside Newfoundland and Labrador.

On average, this level of provincial investment created a total production activity of more than \$34 million per year. In 2015-16, local productions created more than 600 direct, indirect and induced FTEs – a considerable number of jobs in our current economy.

Collectively, an industry that creates skilled jobs, brings in new investments, provides substantial taxation benefits to the provincial exchequer, and has local companies participating in the international “new” economy has been successfully created.

Eye on Canada

Telefilm Canada developed and executed a successful Ottawa screening strategy, connecting federal decision makers, business people, influencers and media with Canadian feature film and members of the industry in a non-partisan environment. As part of the Canadian Content Expansion project, (Eye on Canada) the CMF and Telefilm Canada wished to leverage the success of the

Ottawa Movie Nights by holding a similar event in 2015 for the fourth time in St. John's, Newfoundland. To accomplish this, the NLFDC and the SJIWFF partnered with Telefilm Canada and the Canada Media Fund (CMF).

The 26th Annual SJIWFF was held October 20th to 24th, 2015. The festival opened with Into the Forest (starring Ellen Page and Directed by Patricia Rozema) as part of Telefilm Canada's Eye on Canada Project.

NIFCO Short Film Production Program – Picture Start

Picture Start is a partnership between NIFCO, Telefilm Canada and the NLFDC designed to give emerging filmmakers the tools and training needed to advance their producing, directing and writing skills by making a short film. Through the program, participants are guided by a staff mentor, receive classroom training and on-set mentoring by industry professionals, and have access to state of the art editing facilities at NIFCO. A minimum of three films are completed as part of this program.

The ninth year of this program was approved, and applications were due in August, 2015. The jury process for this year took place in late September, 2015 (NLFDC sits on the jury) and the following projects that were approved by the Board of Directors:

<i>Company</i>	<i>Filmmakers</i>	<i>Project</i>
Vango Productions	Tamara Segura: Producer, Kelly Davis: Executive Producer. Jennina McGillivray: Writer/Director.	Skip
Carrie at Heart Productions	Jess Anderson: Producer, Melanie Oates: Writer/Director.	Ida Here and There
Junction Productions	Jackie Hynes: Producer, Andrea Dunne: Writer/Director	Malignant

American Film Market (AFM) Business Development Mission

In November 2015, the NLFDC brought three experienced Newfoundland and Labrador based film, television and new media production companies on a business development trip to Santa Monica, California for the AFM Business Development Mission. The group included Paul Pope of Pope Productions, Barbara Doran of Morag Loves Company and Brad Gover of Mad Mummer Media. The business of independent motion picture production and distribution reaches its peak every year at the AFM Mission. Industry leaders converge in

Santa Monica for eight days of deal-making, screenings, seminars and networking.

The NLFDC contracted MediaXchange (MX) as the official market consultant and on-the-ground Los Angeles matchmaker for a four-day meeting schedule for three established producers and two members of the NLFDC centered around the AFM Business Development Mission. It built upon connections established by NL Producers and American Industry Executives from previous missions and further extended the range and scope of connections with Film and Television contacts.

As official matchmaking consultants, MX viewed the mission as a success in promoting the Newfoundland and Labrador region and its producers, and to more effectively and extensively engage with this film market and its attendees. It also raised the general profile of the province both within the Los Angeles-based and international, independent film arena, and with key developers and providers involved not only in the US and global television scene, but also the new content providers, platforms and techniques.

As a result of the meetings set up by MX, the NLFDC are following up with two major studios in Los Angeles they met with on two productions that potentially could be shot in this jurisdiction. In addition, the producers who participated in this mission are pursuing several co-production opportunities as a result of these meetings.

United Kingdom Fact-finding Mission

The NLFDC contracted MX as the official Market Consultant and on-the-ground London matchmaker for a four-and-a-half-day exploratory meeting schedule for two established producers Barbara Doran of Morag Loves Company and Mary Sexton of Rink Rat Productions as well as two senior members of the NLFDC built around *Content London*. *Content London* is one of the most stimulating events in the global content industry calendar. Over three days it played host to three conferences, which pulled together all sectors of the entertainment business: The International Drama Summit, FutureMedia and the C21 Kids Content Summit.

As official matchmaking consultants on the NLFDC London Mission, MX viewed the mission as a success in promoting NL producers, and to more effectively and extensively engage with this film market and its attendees, along with raising the general profile of the region within the UK-based independent film and television scene. The mission also brought to light that it is important for the NLFDC to consider a focus on new and interactive media. These platforms will allow the NLFDC to provide opportunities for the next generation of producers to ensure that they are competitive in this rapidly changing market.

As a result of the meetings set up by MX, the NLFDC are following up with three productions that potentially could be shot in this jurisdiction. In addition, the producers who participated in this mission are pursuing several co-production opportunities as a result of these meetings.

Berlinale Co-Production Market Business Development Mission

The NLFDC hired Magus Entertainment (Los Angeles) as a consultant for a mission to Berlin, Germany in February 2016 for the European Film Market held during the Berlinale Film Festival. Three experienced Newfoundland and Labrador based film, television and new media production companies attended. These producers included Allison White of Away Films, Paul Pope of Pope Productions and Barbara Doran of Morag Loves Company were selected to further enhance the promotion of coproduction, joint-financing, and distribution development opportunities between film and television producers in Newfoundland and Labrador and those internationally. This mission enhanced our knowledge of working with producers on an international scale. There were 40 one-on-one meetings in total for the three participating producers as well as an official from the NLFDC. These meetings were with potential international co-producers, distributors and sales agents.

As a result of the meetings set up by Magus Entertainment, the producers who participated in this mission are pursuing several co-production opportunities as a result of these meetings. Two of the producers are negotiating contracts with international distributors on two of their productions.

Frontier

When *Republic of Doyle* ended, it was not immediately clear what the fate of the local industry would be without another large television series. But *Republic of Doyle* had created a strong production company and labour base. Take the Shot Productions were able to build on national and international partnerships. With a lot of hard work and talent, and with the continued support for the industry by the Provincial Government through equity investments, the *Frontier* series, Season One, took place.

The new series is six episodes with a production budget of \$24.5 million and all pre-production will take place here with the majority of the production being shot in this province. *Frontier* is an epic period piece based on the early fur trade industry in Canada. Take the Shot Productions are the creators of *Frontier*. Season-One will air on Discovery Canada and Netflix later this year. This production stars Jason Momoa (*Game of Thrones*, *Aquaman*). Newfoundland and Labrador-born director Brad Peyton (*San Andreas*, \$475 million US box office) directs several episodes and is executive producer.

REPORT ON PERFORMANCE

The following represents the NLFDC's activities for fiscal year 2015-16. This is the second year of the 2014-17 planning cycle. Four objectives have been identified in NLFDC's 2014-17 Business Plan and these are reported on herein.

ISSUE 1: Equity Investment Program

In support of Newfoundland and Labrador-based production, the NLFDC provided production assistance in the form of equity investment to eligible producers for the financing of productions. This program is designed to assist and promote the development of the indigenous film and video industry in Newfoundland and Labrador.

GOAL

By March 31, 2017, the NLFDC will have effectively managed and administered the Equity Investment Fund.

Objective 2015-16

By March 31, 2016, the NLFDC will have assessed the competitiveness of the Equity Investment Fund to support other large scale TV productions.

Measure

Competitiveness of the Equity Investment Fund assessed.

Indicator 1: Conducted research to ensure the NLFDC has all the latest data available on the financial incentives of other Canadian jurisdictions.

The NLFDC conducted research to ensure that it has all the latest data available on the financial incentives of other Canadian jurisdictions. This research was completed through personal interviews with both provincial and federal counterparts. In addition, personal interviews and group meetings were held with local producers as well as producers in other jurisdictions in Canada. Supplementary information was also provided from the groups mentioned to enable us to complete our research. The NLFDC sits on the Association of Provincial Funding Agencies that meets three times a year. As a result, the NLFDC management is well-versed in the incentives available in other jurisdictions and has kept continually abreast of the many changes which occurred in other provinces in 2015-16. As well, the NLFDC continued to conduct its own research with potential national and international production partners at every available opportunity, regarding the effectiveness of the NL equity program as a tool to maintain the competitiveness of the NL industry. In addition, the NLFDC continually maintained its own research in 2015-16 with local production companies to determine the effectiveness of the EIP program. Through these means, the NLFDC is very confident that it has all the latest data

available on the financial incentives of other Canadian jurisdictions, which has provided the basis for a comparative analysis.

Indicator 2: Conducted a comparative analysis of other jurisdictions in Canada.

The NLFDC completed a comparative analysis of other jurisdictions in Canada aided by its continual scan of incentives. In 2015-16, a number of changes to programs offered in other provinces were noted. The NLFDC monitored closely the details and the impacts of these changes. As well, the NLFDC maintained a strong understanding of how Newfoundland and Labrador's equity program compared to other Canadian jurisdictions, for potential international co-production partnerships, through its promotion of the Newfoundland and Labrador incentives at market events and through its role as the film commission. As well, the rigorous process of assessing projects which apply, and through vetting the contractual process of many co-productions, provided valuable information in 2015-16.

Indicator 3: Assessed whether the NLFDC's Equity Investment Fund is competitive with other jurisdictions.

The management of the NLFDC has assessed the competitiveness of the Equity Investment Fund in comparison to other jurisdictions and in consultation with BTCRD, the NLFDC proposes to make recommendations in 2016-17 to its Board of Directors. This assessment was completed through consultation with our counterparts, who are members with the NLFDC on the Association of Provincial Funding Agencies (APFA) of the programs that they administer. In addition, we held various sessions with local producers as well as federal entities for film (Telefilm Canada) and television (Canada Media Fund) who also administer Equity Investment Programs.

Objective 1: By March 31, 2017 the NLFDC will have assessed and made recommendations to Government for improvements to the Equity Investment Fund.

Measure: Assessed the Equity Investment fund and made recommendations for improvements.

Indicators:

- Completed analysis of the Equity Investment Program regulations
- Presented recommendations to the Board of Director's for approval

ISSUE 2: Film and Video Tax Credit

The film and video industry tax credit is a fully refundable corporate income tax credit administered on behalf of the Department of Finance by the NLFDC. It is an integral ingredient of film financing throughout Canada and allows each province's economy to pull in new investment and create high quality employment.

Goal

By March 31, 2017, the NLFDC will have effectively managed the Film and Video Industry Tax Credit.

Objective

By March 31, 2016, the NLFDC will have assessed the effectiveness of the deeming provision.

Measure

The effectiveness of the deeming provision assessed.

<i>Indicator 1: Reviewed three year usage of the deeming provision.</i>
The tax credit has an additional feature called the "deeming provision" wherein amounts paid to non-residents in key positions may be included in the tax credit calculation when a qualified resident is not available and the non-resident serves as a mentor of a resident of the province. In 2015-16, the NLFDC tracked the usage of the deeming provision of the tax credit over the previous three years. This assessment looked at the effectiveness of administering the deeming provision as well as evaluating within each department specific crew positions opportunities using this provision.
<i>Indicator 2: Assessed the retention within the industry of local individuals that were trained.</i>
The NLFDC tracked the local crew person(s) involved in this deeming provision and looked at what local productions he/she have worked on and in what capacity. There were 14 people tracked over a three-year period. Of the 14 people, nine are still working within the industry. It was determined that the retention within the industry of residents who have received professional development through the deeming provision has been strong.
<i>Indicator 3: Recommended improvements if necessary.</i>
The NLFDC determined that other factors beyond its control make the deeming provision problematic and unpredictable. One of the biggest issues is the final

determination of who is deemed or not is inconsistent and arbitrary because of the lack of understanding of the film industry. Several meetings have taken place this year with representatives to discuss these issues. Recommendations were provided by the NLFDC to improve the administrative process and reduce the turnaround time. Recommendations were also made specific to the deeming provision related to specific crew positions to make it more predictable for industry.

Objective 2: By March 31, 2017, the NLFDC will have assessed the competitiveness of the effective tax rate.

Measure: The competitiveness of the effective tax rate assessed.

Indicators:

- Completed comparative analysis of other jurisdictions within Canada
- Recommendation made to the NLFDC board of directors

ISSUE 3: National/International Marketing

Participation in national/international markets addresses the goals of the NLFDC and its producers. These markets provide an opportunity for the sale of productions, and facilitate financing of production and coproduction projects, purchase of broadcasting rights, networking, and collection of market information like forecasted trends for programming.

Goal

By March 31, 2017, the NLFDC will have explored new co-production opportunities both nationally and internationally.

Objective

By March 31, 2016, the NLFDC will have identified potential new markets for co-production opportunities.

Measure

Potential new markets for co-production opportunities identified.

Indicator 1: Reviewed new markets.

The NLFDC completed a comprehensive analysis that assessed the current national/international events which the NLFDC currently participates in, and

reviewed and identified new national/international markets and events, including Interactive Digital Media. This research was completed through personal interviews with both provincial and federal counterparts as well as group meetings (through the International Business Development Group that the NLFDC is a member of). In addition, personal interviews and group meeting were held with local producers as well as producers in other jurisdictions in Canada. Supplementary information was also provided from the groups mentioned to enable us to complete our research.

Below is a listing of new events and initiatives that the NLFDC believes will increase the marketability and growth of local Film and TV industry professionals at all levels (experienced, mid-level, emerging). These events are extremely high profile. Newfoundland and Labrador producers and filmmakers would greatly benefit with the help of a consultant who would navigate these markets. Attendance by our producers would further enhance the promotion of coproduction, joint-financing, and distribution development opportunities on an international scale. The NLFDC will partner with ACOA, the NL Interactive Digital Media Alliance, the Department of BTRCD and the Producers Association of Newfoundland for these events.

Exploratory Film & Television Business Development Missions

- UK International Business Development Mission (November/December 2015)
- Realscreen Summit in Washington, DC (January 2016)
- South by Southwest Film in Austin, Texas (March 2016)

Digital Media Business Development Missions

- E3 in Los Angeles, California (June 2016)
- Montreal International Games Summit in Montreal, Quebec (November 2016)

Indicator 2: Completed a fact finding mission for market(s) identified.

Due to budget constraints, the NLFDC only carried out one new fact-finding mission for markets identified from those identified above. The UK International Business Development Mission took place the last week of November 2015 through the first week of December 2015. The NLFDC contracted MediaXchange (MX) as the official Market Consultant and on the ground London matchmaker for a four-and-a-half-day exploratory meeting schedule for two established producers and two senior members of the NLFDC built around Content London. Content London is one of the most stimulating events in the global content industry calendar. Over three days it played host to three conferences, which pulled together all sectors of the entertainment business: The International

Drama Summit, FutureMedia and the C21 Kids Content Summit.

In response to the NLFDC's main purpose of establishing whether London is a viable market for the Newfoundland and Labrador industry, MX developed a program with a dual purpose:

- To connect top Newfoundland and Labrador producers with London-based television production companies and broadcasters, along with financiers, sales agents, distributors, producers and industry professionals attending the Content London Conference.
- To provide an overview of the UK-based television and film landscape to expand connections and to develop informed strategies for coproduction opportunities for the producers of Newfoundland and Labrador and the NLFDC.

Indicator 3: Completed a follow-up to determine which new market(s) have the best potential for the Newfoundland and Labrador Film Industry.

In exploring new markets for the Newfoundland and Labrador Film Industry, the London Mission was viewed as a success in promoting Newfoundland and Labrador producers to more effectively and extensively engaging with this film market and its attendees, and raising the general profile of the region within the UK-based independent film and television scene.

The majority of the success of this mission being the facilitation of new relationships and connections between key UK-based Film and TV professionals and the NLFDC executives and the Newfoundland and Labrador producers participating in the program. The main purpose of the London mission was exploratory and to provide an opportunity for the NLFDC and their producers to establish and consolidate relationships in the UK. Specific introductions and meetings were set with various entities of the Film and TV Industries, (creative co-producers, distributors, sales agents and financiers) with the aim of leading to further conversations, opportunities and potential co-ventures in the near future.

The follow-up, completed by the NLFDC for this mission brought to light that it is important for the NLFDC to consider a focus on new and interactive media. These platforms will allow the NLFDC to provide opportunities for the next generation of producers to ensure that they are competitive in this rapidly changing market.

Objective 3: By March 31, 2017, the NLFDC will have determined which markets / events that will be attended.

Measure: Market/events to be attended are determined

Indicators:

- Reviewed and identified new national/international film and television markets and events, including Interactive Digital Media.
- Identified producers best suited for these initiatives. Developed request for proposals to hire consultants for the new markets.

ISSUE 4: Industry Development

The NLFDC focused on the implementation of professional development initiatives and partnerships to foster the development of film professionals to ensure that emerging and intermediate crew and filmmakers continue to develop in this province into the future leadership.

Goal

By March 31, 2017, the NLFDC will have implemented initiatives to develop the creative and technical capabilities of industry professionals.

Objective

By March 31, 2016, the NLFDC will have fostered the growth of the position - Line Producers by increasing professional development opportunities.

Measure

Increased development opportunities have fostered the growth of the position of Line Producers.

Indicator 1: Identified specific types of effective Line Producer workshops.

The NLFDC identified a number of specific types of workshops in the area of Line Producing. These included:

1. Masterclass with an established Newfoundland and Labrador resident Line Producer
2. Masterclass with an established Canadian Television Line Producer
3. Masterclass with an established Canadian Film Line Producer
4. Masterclass with an established American Television Line Producer
5. Masterclass with an established American Film Line Producer
6. Panel Discussion during the St. John's International Women's Film

Festival with Canadian and International Line Producers for Film and Television

Indicator 2: Developed appropriate workshops for Line Producers.

The NLFDC was unable to provide any workshops in the area of Line Producing. The factors that contributed to this were:

- Lack of availability of Canadian, American, Newfoundland & Labrador Line Producers to teach the workshops.
- The position of Line Producer is an extremely skilled crew position, it would take more than a one-off workshop to properly educate attendees and would not be a cost effective way to train local crew.

Through the exercise of identifying possible workshops and instructors, it was deemed that the best opportunity for local prospective Line Producers would be in the form of on-the-job training and job shadowing.

Indicator 3: Carried out identified workshops for Line Producers.

In lieu of carrying out identified workshops for line producers, the NLFDC helped put on-the-job training in place during the television production of *Cold Water Cowboys*, Season 3. Local crew member Cyril Butler worked as a Line Producer for the show's duration under the guidance of the Vancouver production Company, Paperny Entertainment. Throughout the year, the NLFDC also hosted and partnered on a number of related professional development initiatives, including:

Los Angeles Business Development Mission. Nine emerging to mid-level producers from Newfoundland and Labrador attended a Business Development Mission in Los Angeles in May/June 2015. The Newfoundland contingent was comprised of two mid-level and seven emerging producers. These producers worked with an American consultant in order to familiarize themselves with the US film and television market. The mission included four days of group sessions as well as one-on-one meetings with industry experts.

FRAMED West. The NLFDC, in partnership with the SJIWFF, Memorial University (Grenfell Campus) and College of the North Atlantic, provided opportunity for FRAMED West workshop attendees take a script from pre-production, shoot and edit, then finally screen their project all within one week of intensive training with the help of a mentor. This year our mentor was award-winning Director and Producer, Allison White. Nine individuals attended the camp. The program involved set protocol and script breakdown, gear orientation, two shoot days, followed by one day of editing.

Objective 4: By March 31, 2017, the NLFDC will have improved the skill level of the Assistant Director (AD) Department by increasing professional development opportunities.

Measure: Skill level of the Assistant Director Department increased through professional development opportunities.

Indicators:

- Identified, developed and carried out workshops/job shadow opportunities to improve the skill of Assistant Director Department.
- Assessed the effectiveness of the workshops/job shadowing opportunities.

OPPORTUNITIES AND CHALLENGES

The Newfoundland and Labrador film and television industry is spread across a wide range of genres, so that documentary and unscripted television, features, and large-scale drama series were all strong parts of the mix in 2015-16. This is a positive sign of the potential of our producers, onscreen talent, writers, filmmakers and experienced crew.

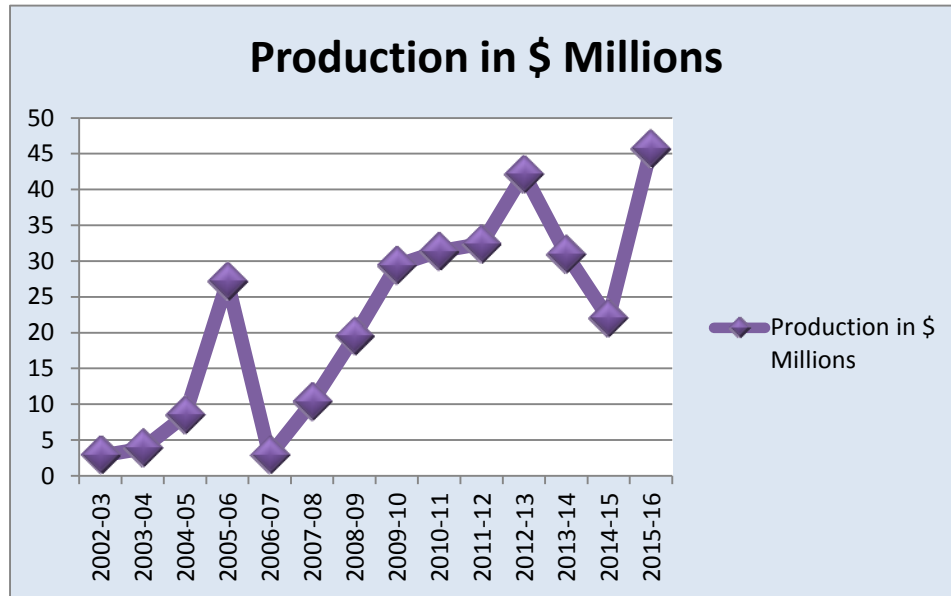
Amid the challenges, it is a measure of success of the local industry that the *Frontier* Season 2 project was green lit by broadcasters. This is a large opportunity to continue growth in an international creative industry, and to create jobs and employ skilled young people in an environmentally sustainable industry, in the new economy, at a time when other opportunities are severely constricted.

Throughout the country and the world, governments incentivize the film and television industry (like most other industries) through various measures. Most jurisdictions in Canada and the western world have incentive programs to attract and grow the film and television industry.

Local production activity over the last seven years has created 450 FTEs on average every year. These jobs are skilled, well-paying jobs in an innovative, new economy industry. Film and television employment benefits younger people and based on the average of multiple year statistics, \$1.00 of provincial equity investment has created \$7.50 of production activity. NLFDC's main client is the local producer with the majority of producers located in the St. John's area,

However productions are shot throughout the province, the Irish Loop, Trinity Bight, Northern Peninsula and the west coast just to name a few.

NL Film and Television Industry Production Activity Totals



The Newfoundland and Labrador film and television industry has had a steady upward trend. This is the result of:

- the growth of strong production companies with projects that the market wants;
- local skilled crew who are available to work; and,
- Provincial Government incentives used to leverage outside, industry specific investments into the province.

For screen industries generally, the current context, however, is certainly not without challenges. Growth is strong as a whole in Canada, but these industries are rapidly evolving, traditional financing models are changing, often in ways that make competition much tougher for producers. Likewise, revenue streams have changed in ways that impact dissemination, and consumers are accessing different types of content in new ways. But these things also create big opportunities.

Tax credits are invested into the financial structure of each large project. They are, therefore, an essential element of the investments gathered to create the project. They are not a bonus that comes to the producers afterwards. They are invested in the production via interim financing from national banks, which is then paid back after the project is completed and the tax credits have been received.

It must be asked whether current program models are properly aligned to achieve the maximum growth that is clearly possible for local companies. Recent experience in neighbouring jurisdictions, however, has demonstrated just how precarious any industry can be if programming is radically altered without due consideration. Above all, industry stability – through the predictable access to local incentives – is the key to growth.

Equity investments, combined with labour-based tax credits, are, at present, the only means that Newfoundland and Labrador has to leverage in large scale television productions. Our tax credit, however, is strictly based on local resident labour, which proves onerous as the crew base is small. At the outset of the industry in the 1990s, the tax credit incentivized the growth of local labour, but not enough to allow multiple productions of any size to occur at the same time - effectively capping growth of the local industry at the 35 to 45 million dollar level per year.

This has meant that the industry must rely on large equity investments from the province to reach a level of investment which made local productions viable. Since the NLFDC's annualized EIF fund is insufficient to cover the equity requests, this has also meant that, essentially, every year the Government of Newfoundland and Labrador must be approached to make a new, one-off equity investment each time a new television series season occurs.

In the coming years, it is essential that the NLFDC look to other jurisdictions, and to explore different approaches to further support, the development of the film and television industry in Newfoundland and Labrador.

**NEWFOUNDLAND AND LABRADOR
FILM DEVELOPMENT CORPORATION**

Financial Statements

Year Ended March 31, 2016

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Index to Financial Statements

Year Ended March 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Enter descriptions of Newfoundland and Labrador Film Development Corporation

We have audited the accompanying financial statements of Newfoundland and Labrador Film Development Corporation, which comprise the statement of financial position as at March 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Canadian Public Sector Accounting Standards for not for profit organizations as issued by the Public Sector Accounting Board and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

Independent Auditor's Report to the Enter descriptions of Newfoundland and Labrador Film Development Corporation *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Newfoundland and Labrador Film Development Corporation as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. John's, Newfoundland and Labrador
August 1, 2016


PINGENT & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Statement of Revenues and Expenditures

Year Ended March 31, 2016

	Budget 2016	2016	2015
REVENUE	\$ 740,900	\$ 740,900	\$ 707,100
EXPENDITURES			
Salaries and wages	445,000	444,825	409,221
Travel & marketing (Note 3)	89,000	109,940	109,794
Office (Note 6)	77,700	75,832	71,866
Sponsorships	75,100	74,771	90,702
Advertising and promotion	17,500	14,040	16,791
Training	21,000	12,349	14,849
Professional fees	10,000	10,063	8,995
Miscellaneous	1,500	2,316	532
Amortization	-	515	800
Promotional materials and publications	4,000	487	437
	740,800	745,138	723,987
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS	100	(4,238)	(16,887)
OTHER INCOME	-	2,748	2,345
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 100	\$ (1,490)	\$ (14,542)

See notes to financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Statement of Financial Position

March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 201,485	\$ 631,813
Accounts receivable	2,415	2,990
Prepaid expenses	5,027	5,588
Atlantic Canada Opportunities Agency (Note 3)	114,838	62,163
	323,765	702,554
PROPERTY, PLANT AND EQUIPMENT (Note 4)	1,299	1,814
	\$ 325,064	\$ 704,368
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 43,775	\$ 25,204
Payables and accruals - Equity Investment Program	284,972	696,830
	328,747	722,034
NET ASSETS		
Share capital (Note 5)	3	3
Operations fund	(22,196)	(20,706)
Equity fund	18,510	3,037
	(3,683)	(17,666)
	\$ 325,064	\$ 704,368

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Statement of Changes in Net Assets

Year Ended March 31, 2016

	Operations Fund	Equity Fund	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ (20,706)	\$ 3,037	\$ (17,669)	\$ (5,653)
Deficiency of revenue over expenditures	(1,490)	-	(1,490)	(14,542)
Excess of receipts over commitments (commitments over receipts) - Equity Investment Program (EIP) (Schedule 1)	-	15,473	15,473	2,526
NET ASSETS - END OF YEAR	\$ (22,196)	\$ 18,510	\$ (3,686)	\$ (17,669)

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**Statement of Cash Flows****Year Ended March 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (1,490)	\$ (14,542)
Items not affecting cash:		
Amortization of property, plant and equipment	515	800
Excess of receipts over commitments (commitments over receipts) - (Equity Fund)	15,473	2,526
	14,498	(11,216)
Changes in non-cash working capital:		
Accounts receivable	575	(11)
Accounts payable	18,571	(7,177)
Prepaid expenses	561	4,203
Atlantic Canada Opportunities Agency	(52,675)	2,837
Payables and accruals - Equity Investment Program	(411,858)	503,564
	(444,826)	503,416
INCREASE (DECREASE) IN CASH FLOW	(430,328)	492,200
Cash - beginning of year	631,813	139,613
CASH - END OF YEAR	\$ 201,485	\$ 631,813

See notes to financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2016

1. DESCRIPTION OF BUSINESS

The Corporation is incorporated under the Newfoundland and Labrador Corporations Act. Its primary purpose is to promote the development of, and to stimulate employment and investment in, the Provincial film and video industry by providing financial and other assistance.

The Corporation has been designated by the Province's Finance Minister to administer the Newfoundland and Labrador Film Tax Credit Program, including registration of productions, review of tax credit applications and recommendations to the Department of Finance.

The Corporation is exempt from paying income taxes under Section 149 of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Public Sector Accounting Standards (PSA) for not for profit organizations as issued by the Public Sector Accounting Board (PSAB).

Fund accounting

Newfoundland and Labrador Film Development Corporation follows the restricted fund method of accounting for contributions.

The Operations Fund accounts for the company's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Equity Investment Fund reports only restricted resources that are to be used for equity investment purposes.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector accounting standards for not for profit enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2016

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

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life at the following rates and methods:

Computer equipment	45%	declining balance method
Furniture and fixtures	20%	declining balance method

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

3. ATLANTIC CANADA OPPORTUNITIES AGENCY

During the year marketing events and initiatives were completed to increase the marketability and growth of local Film and TV industry professionals. NL producers and filmmakers greatly benefited with the help of a consultant who navigated these markets. The NLFDC partnered with the Atlantic Canada Opportunity Agency (ACOA), Department of Business Tourism Culture and Rural Development (BTCRD) and the Producers Association of Newfoundland (PAN) for these events.

The amount receivable from ACOA as at March 31, 2016 is \$114,838. The amount of the funding has been credited against travel and marketing expenses.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Computer equipment	\$ 47,849	\$ 47,514	\$ 335	\$ 609
Furniture and fixtures	19,176	18,212	964	1,205
	\$ 67,025	\$ 65,726	\$ 1,299	\$ 1,814

5. SHARE CAPITAL

Authorized:

600 Common voting shares of no par value

	2016	2015
Issued:		
600 Common shares	\$ 3	\$ 3

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**Notes to Financial Statements****Year Ended March 31, 2016****6. Office**

Office expense consists of the following:

	2016	2015
Rent and maintenance	\$ 38,946	\$ 41,249
Communications	11,476	11,633
Office Equipment	7,797	2,303
Travel	3,769	2,957
Board meeting expense	3,228	4,058
Meeting Supplies	3,043	2,170
Office Supplies	2,439	2,348
Printing	2,066	2,064
Banking fees Operating	1,210	641
Business tax	846	863
Postage	464	931
Computer maintenance	378	565
Banking fees	172	83
	\$ 75,834	\$ 71,865

7. EQUITY INVESTMENTS

Production assistance in the form of equity investment is provided to eligible producers for the financing of productions that will provide employment and economic benefits to Newfoundland and Labrador. Equity investments are made with the condition of repayment through participation in revenue generated by projects. Revenue is recorded as Recoupment when received.

Based on the Corporation's low Recoupment rate, an allowance has been set up to write-off the cumulative equity investment, net of Recoupment.

	2016	2015
Equity Investment	\$ 42,234,291	\$ 37,310,590
Allowance against Equity Investment	(41,711,180)	(36,928,034)
Recoupment - Equity Investment	(523,111)	(382,556)
	\$ -	\$ -

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**Notes to Financial Statements****Year Ended March 31, 2016****8. RECOUPMENT**

During the year the Corporation received the following amounts as recoupment on the Equity Investment Funds.

	2016	2015
Section heading		
Take the Shot Productions Inc. - Republic of Doyle	\$ 124,240	\$ 23,626
Hold Fast Productions Inc. - Hold Fast	212	-
Morage Loves Love and Savagery Inc. - Love and Savagery	14,570	-
Ivy Cottage Inc. - Relative Happiness	1,526	-
Odd Sock Films Inc. - Don Jamieson	7	9
Morag Loves Seduction Inc. - The Grand Seduction	-	12,574
Lazybank Productions Inc. - Till we meet	-	1,319
Rock Island Productions Inc. - Holdfast	-	1,727
Shaftsbury Productions Inc. - Gossip	-	2,912
Shaftsbury Productions Inc. - LWD1	-	12,073
	-	-
	\$ 140,555	\$ 54,240

9. PROJECT DEVELOPMENT LOANS

The Corporation provides loans to qualified applicants to support the process of film and video development that takes an idea through the stages of research, writing, market analysis and budget development. This work must precede the completion of production financing arrangements. Support for the development of a project does not necessarily imply support for a production.

Project development loans are interest free and are to be repaid on the earlier of the first day of principal photography or on the optioning, sale, or transfer of the property to a third party.

An allowance has been made to write-off the cumulative amount of these development loans.

	2016	2015
Development Loans	\$ 4,753,697	\$ 4,336,033
Allowance against development loans	(4,753,697)	(4,336,033)
	\$ -	\$ -

10. COMMITMENTS

Because of the lead times required to obtain all the resources necessary to complete film and video productions, the corporation approves applications for funding which will, on occasion, result in program disbursements in subsequent fiscal periods, pending availability of funds.

As at March 31, 2016, the Corporation was contractually committed to advance funds totaling \$1,086,960 (2015 - 4,158,437) from the Equity Investment Program as investments and loans in respect of current and future projects subject to the availability of funds in subsequent years and other terms and conditions as outlined in the funding agreements.

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2016

11. ECONOMIC DEPENDENCE

The Corporation is economically dependant on the Government of Newfoundland and Labrador for annual funding.

12. COMPARATIVE FIGURES

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

13. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and management regularly monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2016.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from government and other related sources, and accounts payable.

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION
Schedule of Receipts and Commitments - Equity Investment Program
(Schedule 1)
Year Ended March 31, 2016

	2016	2015
Receipts		
Province of Newfoundland and Labrador Funding - Republic of Doyle	\$ 2,340,000	\$ 2,500,000
Province of Newfoundland and Labrador Funding	1,955,000	2,000,000
Province of Newfoundland and Labrador Funding - Frontier	500,000	-
Recoupment <i>(Note 8.)</i>	140,555	54,240
Interest Earned	1,920	1,999
	\$ 4,937,475	\$ 4,556,239
Current year commitments		
8727775 Canada Inc. - Passage Interdit	\$ -	\$ 3,348
Away Films Inc. - Hammer	18,810	-
Away Films Inc. - Picture Start - Cancergirl	-	19,130
Beagle Media Corp. - George Street TV 5	-	15,906
Beagle Media Corp. - Spoiled Rotten	-	15,411
Best Boy Productions Ltd. - Junior Achievers	-	34,650
Best Boy Productions Ltd. - Billy 9F	-	10,626
Best Boy Productions Ltd. - Ill of the Dead	-	12,808
Best Boy Productions Ltd. - Laneway	-	10,626
Best Boy Productions Ltd. - Nexus	-	14,728
Best Boy Productions Ltd. - The Deadleys	-	9,404
Bright White Productions - Romance and the Word	8,745	-
Burlington Season II Inc. - Majumder Manor Season 2	-	200,000
Carrie at Heart Productions Ltd. - The Manor	4,925	5,775
Circa 16 Films Ltd. - Keystone Picture Start	-	21,047
Closet Monster Inc. - Closet Monster	-	350,000
Cranky Goat Entertainment Ltd. - Dry Swallow	-	7,920
Cranky Goat Entertainment Ltd. - Newfoundland Ponies	-	35,000
Cranky Goat Entertainment Ltd. - Of this Place	35,000	-
Dream Shake Media Inc. - Perfect Family	10,461	-
F. James TV Film Co. Ltd. - Club One International Series	30,000	78,492
Genius Productions Inc. - Experience Genie	-	19,800
Get Set Films Inc. - 4 North A	11,800	-
Get Set Films Inc. - Almost Thirty	10,000	-
Island Horse Productions Ltd. - Bucky	17,974	-
Island Horse Productions Ltd. - Lore	17,602	-
Junction Productions Inc. - Malignant	19,470	-
Kickham East Productions Inc. - Last Resort Ph 2	-	11,319
LJH Films Inc. - Picture Start - Sadie	-	18,227
Lazybank Productions Inc. - From Labrador to Hollywood	-	5,940
Matchcut Productions Inc. - Long Term Care - Picture Start	-	23,100
Media Connections Film Inc. - Avon Ladies Rural Style	9,900	-
Media Connections Film Inc. - Bullet for the General	7,650	13,695
Media Connections Film Inc. - Come Home Year	-	15,840
Media Connections Film Inc. - Terranova Matador: Carolyn Hayward	-	35,000
Morag Loves Armageddon Limited - Armageddon	222,500	82,500
Morag Loves Away Inc. - Away From Everywhere	71,269	200,000
Morag Loves Company Limited - Armageddon	-	25,000
Morag Loves Company Limited - Ben and Jerry	-	12,337
Morag Loves Company Limited - Moonshine	-	9,563
Morag Loves Company Limited - Rebirth of the San Juan	9,583	-
Morag Loves Company Limited - Viking Secrets	-	11,882
Odd Sock Films Inc. - Franklin River Blockade	12,797	-

See notes to financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Odd Sock Films Inc. - Shoot Me (Phase II)	16,243	-
Panoramic Pictures Inc. - Touch - Picturestart	2,644	20,856
Pebble Mountain Productions Inc. - On the Outside Looking In	-	26,598
Pope Music Season 1 Ltd. - Heavyweather vol 4 and 5	-	65,000
Pope Productions Ltd. - Amelia Curran Mental Health Project	31,200	-
Pope Productions Ltd. - Good Citizen	5,000	35,000
Pope Productions Ltd. - Hole in the Wall	20,175	-
Pope Productions Ltd. - Magic of Boxer Connors	-	21,489
Pope Productions Ltd. - Magic of Boxer Connors	9,940	-
Pope Productions Ltd. - NL Entertains Season 2	-	16,000
Pope Productions Ltd. - Pignut	243,500	-
Republic Season 5 Inc. - Republic of Doyle V	1,250,000	1,250,000
Republic Season 6 Inc. - Republic of Doyle VI	1,090,000	1,250,000
Rink Rat Productions Inc. - When the Boys Came Home	6,734	54,678
Riverhead Films Inc. - Riverhead	34,180	-
Road de Luxe Productions Inc. - Moving on	1,782	-
Rock Island Productions Inc. - Auntie Vigilantes	-	10,905
Rock Island Productions Inc. - The Portuguese Boy	13,209	-
Rock Island Productions Inc. - Wild Thing	34,650	-
Sarah Frost Pictures Inc. - What Waits for Them in Darkness	35,000	-
Sexton and Son Productions Inc. - How to be Deadly	-	17,000
Sexton and Son Productions inc. - Social Work	7,732	17,846
Sibelle Productions Inc. - Passage Interdit	44,252	-
Small Shack Productions Inc. - Maudie	637,500	-
Small Shack Productions Inc. - Maudie	29,164	212,500
Springwater Productions Inc. - Schoolhouse Memories	-	12,375
Springwater Productions Inc. - The Past is Cast	23,000	-
Take the Shot Productions Inc. - Frontier	830,000	45,000
Take the Shot Productions Inc. - Lanier Phillips Story	-	19,000
Take the Shot Productions Inc. - The Black Strand PII	3,978	-
Take the Shot Productions Inc. - The Ship	-	21,650
Take the Shot Productions Inc. - Chaos	18,500	-
The Rightful Heir Productions Inc. - O'Brien's	6,930	-
Two Rock Productions Inc. - Puffin Patrol	-	114,304
Upskydown Films Inc. - Captain Newfoundland	-	14,875
Upskydown Films Inc. - Picture Start - Between Two Walls	-	22,179
Wreckhouse Productions Inc. - Atlantic	17,443	-
	\$ 4,931,242	\$ 4,576,329
Excess of receipts over commitments (commitments over receipts)	\$ 6,233	\$ (20,090)
Opening Balance	3,037	511
Expired from previous year - Pet ER	-	22,616
Adjustment from prior year - When the Boys Came Home	9,240	-
	\$ 18,510	\$ 3,037

See notes to financial statements