

**Newfoundland and Labrador Film Development  
Corporation**

**Annual Report 2016-17**

## 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 2016-17. 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 results reported.

The NLFDC is very pleased to report that in 2016-17, the film and television industry in this province continued its strong performance and maintained a stable level of production. Total production activity reached a volume of \$40 million. We heartily congratulate the local talent, companies, and workers involved in making this success a reality and are grateful 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 \$40 million means that more than 500 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 \$399 million, creating over 5,100 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.

Of particular note in 2016-17 was the strength of television production locally, with representation in all categories: drama series, unscripted series, one-off documentaries, and a large budget Movie of the Week (MOW). Of the total number of projects produced, more than 80% were for the television market last year, and this accounted for about 98% of the dollar value of all production activity. This decline in feature film production, hopefully will be a one year aberration, as the previous year was a particularly good one for local feature production activity.

Deserving special mention in 2016-17, is the international success of the feature film Maudie. The story itself is one of overcoming adversity – but so is the tale of the project's creation. The NLFDC was proud to initially support local writer Sherry White's script through a small development loan in 2006. Through several phases of development, the NLFDC's commitment to an equity investment in

2014, and ultimately, the film's production in 2015-16, the NLFDC was an ongoing partner, and supported the efforts of local producer Mary Sexton to see the film made, particularly through attending markets to secure financing for the project throughout that period. In 2016-17, the film premiered to critical and audience acclaim at the Toronto International Film Festival (TIFF), Telluride, the Atlantic Film Festival, Calgary, Vancouver, St. John's, and Berlin. The NLFDC looks forward to its successful release in theatres in Canada and the United States.

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 Tourism, Culture, Industry, and Innovation 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 (NLIDMTC). 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, which \$7.5 billion in economic impact and more than 50,000 jobs.

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.

2016-17 saw a big change for the NLFDC and screen industries as a whole, when Chris Bonnell retired after more than 11 years as Executive Director, 19 years at the film corporation (since its inception), and 20 plus years managing provincial investments in the industry. Chris's wisdom, encouragement, vision, financial acumen, deep international contacts, and diplomacy have been essential, on a daily basis, to all the successes achieved by the local screen industries. The staff and board of the NLFDC thank him for his service.

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 Tourism, Culture, Industry and Innovation (TCII), 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 TCII.

In 2016-17 the NLFDC had an Operating/Marketing budget of \$681,000 and a \$2,000,000 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.

### **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 TCII. At the end of this reporting period, March 31, 2017 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  
Carmela Murphy, St. John's, ADM, Department of TCII

### **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 the Newfoundland Independent Filmmakers Co-op (NIFCO), the St. John's International Women's Film Festival (SJIWFF), the Nickel Independent Film Festival (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.

### **Highlights and Partnerships**

This past year was one of many notable achievements and continued strength. The NLFDC reports a total of over \$39.4 million in film and television production activity in the province in 2016-17. On average, over 70 percent of the funds used to make large-scale film and television productions were leveraged from outside Newfoundland and Labrador.

In 2016-17, local productions created more than 600 direct, indirect, and induced FTEs – a considerable number of jobs in our current economy. Since the creation of the NLFDC, a total of more than \$399 million in production activity has occurred in Newfoundland and Labrador, with approximately \$280 million of that being outside money leveraged into the province. More than 5,100 FTEs in total have been created.

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.

#### **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 tenth year of this program was approved, and applications were due in August, 2016. The jury process for this year took place in late September, 2016 (NLFDC sits on the jury) and the following projects that were approved by the Board of Directors:

Company	Filmmakers	Project
Cats Eye Cinema Inc.	Jenney Hawley: Producer, Cody Westman & Bridget Canning: Writers/Directors	<b>Casey</b>



Blue Pinion Films	Ruth Lawrence: Producer, Matt Wright: Writer/Director	<b>Snowstorm Roulette</b>
Pulp and Paper Entertainment	Mike Hickey: Producer, : Mike Fardy Writer/Director	<b>Matchstick</b>

Missions and Markets

In 2016-17, the NLFDC continued to represent the province as the film commission and as the front door of the local industry to the world, particularly in its management of the main incentives, the equity investment fund and the tax credit.

In promoting NL as a shooting location and production partner, the NLFDC also this year continued to lead missions in partnership with ACOA and TCII to enable film production companies to seek opportunities at some of the world’s most important markets and events, including: Produced By (Los Angeles); the Toronto International Film Festival; Strategic Partners (Halifax); the American Film Market (Los Angeles), and the European Film Market (Berlin).

Of particular note in 2016-17, the NLFDC organized its first official mission to the Toronto International Film Festival. In the past, the NLFDC and some producers attended for individual meetings and national committee meetings, but this was the first year that a concerted effort was made, in collaboration with ACOA and TCII, in order to hire a consultant who provided one on one meetings for the companies and the NLFDC. This was a very successful mission and the goal is to continue this in the fall of 2017.

As well, the NLFDC has as a continued goal to take a lead in promoting the Newfoundland and Labrador IDM industry nationally and internationally. Through the NLFDC’s contract with ACOA the aim had been to attend and bring companies to a number of these events. However, for a variety of reasons, ultimately it was just the South by Southwest (SXSW) market that was attended, on an exploratory basis. In 2016-17 the NLFDC will redouble these efforts to promote the IDM sector.

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 in 2015 and continued for a second season of production in 2016.

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 aired on Discovery Canada and Netflix in 2016-2017. This production stars Jason Mamoia (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.

Maudie: Of special note this year was the release of the feature film Maudie, starring Sally Hawkins and Ethan Hawke, and directed by Aisling Walsh. Newfoundland and Labrador's Mary Sexton was the co-producer. This NL/Ireland/Ontario official treaty co-production, with significant US investment, had been shot in the fall of 2015 and the winter of 2016. This film is an excellent example of patience and determination paying off in the film industry. The original script, written by Newfoundlander Sherry White was first drafted in the mid-2000s, and the NLFDC made its initial development investment in 2006.

In the fall of 2016, it premiered to excellent reviews at Telluride and at the Toronto International Film Festival and went on to open the Atlantic Film Festival and to screen at the St. John's International Women's Film Festival and later at the Berlinale festival. Sony Pictures Classics has acquired the film and a US release is slated for the spring of 2017.

The NLFDC continued to work with TCII 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. 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 (CNA) Film and Video Production program in Stephenville.

## **REPORT ON PERFORMANCE**

The following represents the NLFDC's activities for fiscal year 2016-17. This is the third 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 1:** By March 31, 2017, the NLFDC will have effectively managed and administered the Equity Investment Fund.

Indicator 1: Managed the Equity Investment Fund to promote an increased range of diverse productions shot in the Province.
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During the last three fiscal years, a wide variety of film and television production types have taken place. Large budget dramatic television series, unscripted television series, movies of the week (MOW), large and small budget one-off documentaries, large, medium and microbudget feature films, as well as web-series, short films and other development shoots have all occurred
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Indicator 2: Broadened the seasonal range of production activity.
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Winter shoots have traditionally been a challenge in Newfoundland and Labrador – the story must be specific to that season for outside locations and without a dedicated sound stage facility, it is difficult to attract guest productions based on incentives alone. However, the local industry with the leadership of the NLFDC has been successful in extending productions into the fall and winter with productions such as Republic of Doyle Season Six, Frontier Seasons One and Two, MOW Christmas Furies, feature film Braven, as well as documentaries and unscripted television projects.

**Indicator 3: Supported projects that maximize the economic impact to the Province.**

Maximizing the economic impact of the industry to the province means both increasing the overall size of the industry and also that local spend and employment tends to increase over time.

While 2014-15 saw a dip in production activity compared to previous years, with a smaller scale final season of Republic of Doyle, 2015-16 was the best year ever in the industry’s history, and 2016-17 was another very strong year. The trend has been one of stability and growth in general over this period.

NLFDC notes that the trend has been more residents being hired on local productions and an increase in local residents being in positions of high responsibility and as key creatives on productions. The industry has grown in general, and the level of tax credit applications have increased over time.

**Objective 2016-17:** By March 31, 2017, the NLFDC will have assessed and made recommendations to Government for improvements to the Equity Investment Fund.

**Indicator 1: Completed analysis of the Equity Investment Program regulations**

The NLFDC has continued to assess the effectiveness of the Equity Investment Fund on an ongoing basis.. The most urgent and time-consuming issue regarding the fund in 2016-17, was that funds had been committed far into the future for current projects. In the fall of 2016, it was noted to government that if an increase to equity funds were not possible, that a drop off of production activity was certain to result, with a significant economic impact.

An analysis of the Equity Investment Program regulations has been done but had not been implemented by March 31, 2017.

**Indicator 2: Presented recommendations to the Board of Director’s for approval**

The Board of Directors of the NLFDC has been continually updated and has provided advice and leadership regarding the Equity Investment Fund throughout 2015-16. In particular, the issue of making fund commitments well

into the future for current projects was the primary focus, as well as advocating for an increase to equity funds for the growing industry. The Board has been regularly updated regarding the process of reviewing regulations, though the implementation of any changes was not able to take place in 2016-17.

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

**Indicator 1: Decreased time required to complete final review of applications**

The NLFDC completed an internal assessment of the efficiency of the administration of the tax credits it processes every year. However, the film and video tax credit is co-administered with the Department of Finance, and therefore the current assessment is limited to the efficiency of the NLFDC's own administration

**Part One Applications:** Regarding these assessments, in the three fiscal years, the NLFDC received 23 total Part One applications. The average amount of time from initial receipt of the part one application to having a complete Part One application was 58 days in 2014-15. That number decreased to 27 by 2016-17.

**Part Two Applications:** The NLFDC received 22 part two applications in the three year period. The average time for completing the review was 34 days in 2014-2015 and was 101 in 2016-2017.

It should be noted that this variance of an average increase, to a 101 days, was skewed by one file, and is not indicative of a general slowdown in tax credit processing times by the NLFDC. The annual corporate cap of the tax credit requires that a year must pass from the date of issuance of a previous certificate, before the next application can be completed for that corporation. Therefore, in the case of one large file, it was understood that this file would not be assessed until that time period was passed. The remainder of the other files were completed in a time frame on par with previous years.

As more information or clarification is almost invariably requested from the applicant, these times also include response times from the applicant which the NLFDC has little or no control over.

Indicator 2: Assessed the competitiveness of the tax credit

NLFDC assessed the competitiveness of the tax credit, by taking into consideration a number of factors. These factors include:

- Whether the rate is competitive, on paper, compared to other jurisdictions;
- Whether the rate is competitive, in effect, based on the ability to hire locals or deem non-locals, which is a factor of the available local labour pool; that is, what percentage range of the financial structure can be expected to result from the tax credit;
- The normal turnaround time from Part Two application to provincial certificate;
- The effectiveness of the tax credit, in combination with other incentives and programs (equity investments) in providing, overall, a competitive offering in comparison to other similar jurisdictions;
- Whether the tax credit has encouraged an increase in the local labour pool, which in turn will allow an increased local industrial capacity, which in turn has led to a greater volume of production activity over time;
- Whether the tax credit has encouraged the growth in the number and individual strength of local production companies;
- Whether the interim financing costs (interest payments) borne by local production companies is overly prohibitive and is dissuading the growth of local companies as a result of the average time for tax credits to be processed;
- Whether the application process is overly complicated or outdated; and
- Has the local industry grown to a level that might be reasonably expected, in comparison to other similar jurisdictions, particularly in Canada?

This has been discussed with the board of directors and with the province. Within the parameters of its current mandate and programs, NLFDC will continue to provide suggestions for improvements

Indicator 3: Assessed the effectiveness of the administrative process of the deeming component

The tax credit has a 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.

The NLFDC tracked the local crew persons involved in this deeming provision and looked at what local productions they have worked on and in what capacity. In 2014-2017, 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 and is very valuable tool in developing the skills of the crew.

The NLFDC has made recommendations to improve the administrative process and reduce the turnaround time. Recommendations were also made specific to the deeming provision related to which specific non-resident crew positions would be understood to be reasonable mentoring roles for locals to be trained on the job. This would make the process more predictable for industry.

**Objective 2016-17:** By March 31, 2017, the NLFDC will have assessed the competitiveness of the effective tax rate.

**Indicator 1: Completed comparative analysis of other jurisdictions within Canada**

The NLFDC has conducted an ongoing review and analysis of film and video tax credits and other industry incentives in Canada. As other jurisdictions' incentives evolve, these analyses are snapshots in time. Discussions have been ongoing, and the NLFDC intends to make recommendations to Government in the future regarding specific issues with the current tax credit, and possible changes that could make the incentives more effective.

**Indicator 2: Recommendations made to the NLFDC board of directors**

The effectiveness of the tax credit and any issues pertaining to the tax credit, as well as our incentive programs in general, has been an ongoing topic with the NLFDC Board of Directors and recommendations for improvements have been suggested. In particular, recommendations regarding an all-spend tax credit and the benefits of following the lead of other provinces in transferring administration to the Canada Revenue Agency have been made.

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

Indicator 1: Assessed whether or not current market events attended are effective.

This assessment has taken place and will continue on an ongoing basis. Based on the assessment, the NLFDC has altered the markets/events it attends.

Indicator 2: Identified and explored other possible co-production opportunities through other markets/events.

NLFDC identified and explored possible co-production opportunities through other markets/events and has changed the events it attends accordingly.

Indicator 3: Attended the Markets/Events that have been identified for possible co-production opportunities.

As a result of the assessment of markets/events and the co-production opportunities presented, the NLFDC has revised the events it attends as follows:

- The European Film Market in Berlin has emerged as a very important market opportunity for international film, and to a lesser extent, television, and has been attended by the NLFDC and local production companies for the last three years.
- Primetime in Ottawa remains a very significant opportunity nationally.
- SXSW was identified as an opportunity both for film and television and IDM. One exploratory attendance occurred.
- The Produced By event has continued as an excellent opportunity for emerging and midlevel producers. It also an excellent opportunity for the NLFDC, as the film commission and provincial provider of industry incentives, to meet with television and film companies based in the US.
- The Toronto International Film Festival (TIFF) has grown ever stronger, not only as a showcase for films, but as one of the worldwide industry's foremost marketing opportunities. While the NLFDC has attended in the past, in 2016 the NLFDC for the first time lead an organized mission with a dedicated matchmaker.
- Strategic Partners in Halifax continues to be an important event for the region.
- The American Film Market continues to be an essential event, not just for feature films but as an opportunity to meet with potential co-production partners in the burgeoning international television market.



**Objective 2016-17:** By March 31, 2017, the NLFDC will have determined which markets/events will be attended.

Indicator 1: Reviewed and identified new national/international film and television markets and events, including Interactive Digital Media.

An assessment of new international and international markets and events for the film and television industry and the interactive digital media industry was completed and became part of the NLFDC's partnership with ACOA and the province.

Indicator 2: Identified producers best suited for these initiatives. Developed request for proposals to hire consultants for the new markets.

Companies best suited to each market and event were identified. However, due to budgetary constraints in 2016-17, not all events and markets that were targeted were attended, so in specific cases, requests for proposals (RFPs) were not developed or consultants hired. However, the Toronto International Film Festival was, for the first time, organized by the NLFDC as an international mission, with a matchmaker/consultant contracted to set up meetings.

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

Indicator 1: Assessed required support and training for industry professionals

The NLFDC held individual and group consultations with industry professionals at emerging, intermediate and established levels to discover their support and training needs.

These consultations occurred leading up to the Nickel Independent Film Festival and the St. John's International Women's Film Festival (SJIWFF). At these consultations, discussions regarding current professional development programs and future planning took place and a plan for the upcoming festival offerings was discussed. Meetings with the Nickel occurred in April 2014, April 2015 and April 2016. Meeting with the SJIWFF occurred in August 2014, August 2015 and August 2016.

The Industry Analyst of the NLFDC also meets with the Newfoundland Independent Filmmakers Co-operative (NIFCO) each year during the Picture Start program to discuss industry training needs. These discussions occurred in

September 2014, September 2015 and September 2016

Individual consultations occur throughout the year at most meetings.

**Indicator 2: Held industry prioritized workshops for industry professionals**

Based on industry professional consultations the following workshops were held by the NLFDC:

- Scriptwriting 101, May 2015;
- Production Budgeting January 2016;
- Assistant Directing, March 2017; and
- Producing Independent Film outside the Canadian Funding Model, March 2017.

The NLFDC also partners annually with the Nickel Independent Film Festival and the St. John's International Women's Film Festival in planning of various workshops during their events to help serve all levels of the industry.

- Nickel Workshop Series, June 2014, 2015 & 2016
- SJIWFF Scene and Heard, March 2015 & 2016
- SJIWFF Interactive Film Forum, October 2014, 2015 and 2016

**Objective 2016-17:** By March 31, 2017, the NLFDC will have improved the skill level of the Assistant Director (AD) Department by increasing professional development opportunities.

**Indicator 1: Identified, developed and carried out workshops/job shadow opportunities to improve the skill of Assistant Director Department.**

The NLFDC Partnered with the Director's Guild of Canada (DGC) to host a series of workshops aimed at the Assistant Director (AD) Department. This was available to both DGC members and to the industry at large. The workshops took place in October 2016 and March 2017 at NIFCO in St. John's, NL.

The workshop was a huge success with over twenty registrants and an extensive waiting list. The workshop reviewed the specific functions of the AD team and provided an overview of how a strong AD team facilitates & organizes an efficient film project. Pre-production and production requirements were discussed including the importance of communication & work flow between AD team, Production & crew and how that translates to on-set responsibilities.

There was a strong focus on script breakdown, shooting schedules, and other paperwork. The workshop was taught by Nicole Close, a Halifax-based Assistant Director and one of the leading production professionals in the Nova Scotia film industry.

**Indicator 2: Assessed the effectiveness of the workshops/job shadowing opportunities.**

Workshops are assessed by canvassing all the attendees and the instructor. The NLFDC conducts an internal review post workshop to assess its effectiveness. The review indicated a successful workshop. There was a large turnout at the AD workshop. As a result of their attendance, a number of non-DGC members were admitted into the guild under permittee status. This enables individuals working in the AD department to be eligible for unionized productions and increased the skill set of all attendees.

## **OPPORTUNITIES AND CHALLENGES**

The screen industries – film, television, and interactive digital media (IDM) – have been going through a period of strength internationally, nationally and locally, and 2016-17 has been another successful year for the NLFDC. The NLFDC believes that with prudent management, and support that is competitive with other Canadian jurisdictions, the screen industries in Newfoundland and Labrador present an excellent opportunity for economic growth and diversification, and to promote diversity and the retention of young people in our province through meaningful, creative, highly-skilled, well-paid jobs.

Interactive Digital Media – Opportunities: According to the latest statistics available from the Government of Canada, the IDM industry nationally employs over 50,000 people and generates \$7.5 billion in annual revenue. Canadian studios are responsible for developing one in every six top-selling console games and the digital gaming industry in Canada is ranked as the third largest in the world.

While the local industry is still at a somewhat foundational level, there is clearly room for growth. At present, there are at least four substantial companies which have had considerable success and several start ups and many other individual creators who aspire to a permanent place in the industry.

The NLFDC has worked in partnership with the provincial government and ACOA for a number of years in fostering the growth of this sector, and in particular, 2016-17 was the first full fiscal year of the province's interactive digital media tax credit, which the NLFDC has been tasked to co-administer with the provincial Department of Finance. The NLFDC leverages federal funds through ACOA to support marketing events nationally and internationally for the industry.

The NLFDC's goal is to continue its leadership in this area and it plans to focus on strategic planning that will assist the industry's growth.

Interactive Digital Media – Challenges: The local IDM industry has lagged behind other jurisdictions in the country somewhat, partially as a result of a former lack of defined incentives as well as, more generally, a lack of a clearly defined,

concerted effort and focus on what entities should take a leadership position. This has been somewhat relieved in the last year or so by the creation of the provincial IDM tax credit, which the NLFDC co-administers with Finance.

Film and Television Industry – Opportunities: The most recent statistics available in 2016-17, from the Canada Media Production Association, indicate that the Canadian film and television industry as a whole creates about \$7 billion annually to the nation’s economy, and approximately 150,000 jobs, directly and indirectly. The industry has seen significant growth in the last several years, and much of this is based on foreign investments and export markets.

For the Newfoundland and Labrador film and television production industry, in the past, a good year might be followed by a “development year” in which production activity trailed off. Partly this was a matter of the industry’s size, at the time: one production give or take would have a more substantial impact overall. However, of late, Newfoundland and Labrador, similar to the Canada overall, has seen a number of strong production years.

The NLFDC believes strongly, particularly given the strength of the Canadian environment as whole, that the film and television industry continues to provide and excellent opportunity for the province to create meaningful employment and retain young people, to leverage new monies into the province and help diversify the economy, and to promote NL in general and specifically as a “cool” tourism destination.

Film and Television Industry – Challenges: In the fall of 2016, the NLFDC undertook – in collaboration with all industry stakeholders, including representatives of NIFCO, Producer’s Association of Newfoundland (PAN), Atlantic Studios Cooperative (ASC), Memorial University, the provincial and federal governments, the City of St. John’s, the College of the North Atlantic, production companies, unions and guilds – an industry symposium called 20/20/20. The stated goal was to focus on how to double the volume of production activity to the \$100 million range over a reasonable period.

Like any other industry, it is clear that sustained growth cannot occur without the local companies to create or service projects and the local labour pool to work on them. This will require a refocusing of our efforts, collectively, on professional development and the recruitment and training of new individuals.

## **FINANCIAL STATEMENTS**

The audited financial statements for corporation are appended to this report.

**NEWFOUNDLAND AND LABRADOR  
FILM DEVELOPMENT CORPORATION**

**Financial Statements**

**Year Ended March 31, 2017**

**NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**

**Index to Financial Statements**

**Year Ended March 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors 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, 2017 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 Canadian accounting standards for not-for-profit organizations, 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 Directors 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, 2017 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 14, 2017

  
CHARTERED PROFESSIONAL ACCOUNTANTS



**NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2017**

	Budget 2017	2017	2016
<b>REVENUE</b>	\$ 681,000	\$ 681,000	\$ 740,900
<b>EXPENDITURES</b>			
Salaries and wages	438,098	420,746	444,825
Travel & marketing (Note 3)	102,973	90,865	109,940
Office (Note 6)	75,586	72,478	75,832
Training	26,500	27,561	12,349
Sponsorships	16,000	22,853	74,771
Professional fees	14,611	15,766	10,063
Advertising and promotion	5,400	6,236	14,040
Miscellaneous	1,288	2,932	2,316
Promotional materials and publications	544	130	487
Amortization	-	344	515
	681,000	659,911	745,138
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	-	21,089	(4,238)
<b>OTHER INCOME</b>	-	1,026	2,748
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	\$ -	\$ 22,115	\$ (1,490)

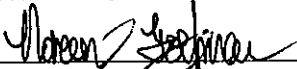

**NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**

**Statement of Financial Position**

**March 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 248,481	\$ 201,485
Accounts receivable	7,147	2,415
Atlantic Canada Opportunities Agency Funding Receivable (Note 3)	27,345	114,838
Prepaid expenses	7,257	5,027
	<b>290,230</b>	<b>323,765</b>
PROPERTY, PLANT AND EQUIPMENT (Note 4)	955	1,299
	<b>\$ 291,185</b>	<b>\$ 325,064</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 44,335	\$ 43,776
Payables and accruals - Equity Investment Program	182,533	284,972
	<b>226,868</b>	<b>328,748</b>
<b>NET ASSETS</b>		
Share capital (Note 5)	3	3
Net assets	64,314	(3,687)
	<b>64,317</b>	<b>(3,684)</b>
	<b>\$ 291,185</b>	<b>\$ 325,064</b>

**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, 2017**

	2016 Balance	Excess of revenue over expenditures	Excess of receipts over commitments	2017 Balance
Operations Fund	\$ (22,197)	\$ 22,115	\$ -	\$ (82)
Equity Fund	18,510	-	45,886	64,396
	\$ (3,687)	\$ 22,115	\$ 45,886	\$ 64,314

	2015 Balance	Excess of revenue over expenditures	Excess of receipts over commitments	2016 Balance
Operations Fund	\$ (20,706)	\$ (1,491)	\$ -	\$ (22,197)
Equity Fund	3,037	-	15,473	18,510
	\$ (17,669)	\$ (1,491)	\$ 15,473	\$ (3,687)

**NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION****Statement of Cash Flows****Year Ended March 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	\$ 22,115	\$ (1,490)
Items not affecting cash:		
Amortization of property, plant and equipment	344	515
Excess of receipts over commitments (commitments over receipts) - (Equity Fund)	45,886	15,473
	<b>68,345</b>	<b>14,498</b>
Changes in non-cash working capital:		
Accounts receivable	(4,732)	575
Accounts payable	559	18,571
Prepaid expenses	(2,230)	561
Atlantic Canada Opportunities Agency	87,493	(52,675)
Payables and accruals - Equity Investment Program	(102,439)	(411,858)
	<b>(21,349)</b>	<b>(444,826)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>46,996</b>	<b>(430,328)</b>
Cash - beginning of year	201,485	631,813
<b>CASH - END OF YEAR</b>	<b>\$ 248,481</b>	<b>\$ 201,485</b>

See notes to financial statements

# NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

## Notes to Financial Statements

Year Ended March 31, 2017

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### 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, 2017**

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, 2017 is \$27,345 (2016 - \$114,838). The amount of the funding has been credited against travel and marketing expenses.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 47,849	\$ 47,665	\$ 184	\$ 335
Furniture and fixtures	19,176	18,405	771	964
	<b>\$ 67,025</b>	<b>\$ 66,070</b>	<b>\$ 955</b>	<b>\$ 1,299</b>

5. SHARE CAPITAL

Authorized:

600 Common voting shares of no par value

	2017	2016
Issued:		
600 Common shares	\$ 3	\$ 3

**NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION****Notes to Financial Statements****Year Ended March 31, 2017**

## 6. Office

Office expense consists of the following:

	2017	2016
Rent	\$ 33,858	\$ 38,946
Communications	12,327	11,476
Office Equipment purchases/leases	8,520	7,797
Computer maintenance/software	3,030	378
Travel	2,972	3,769
Other	2,922	3,228
Office Supplies	2,551	2,439
Meeting Supplies/consumables	1,759	3,043
Mandate change facilitation	1,721	-
Banking fees Operating	1,007	1,210
Printing charges	799	2,066
Website Hosting	599	-
Postage	202	464
Banking fees	143	172
Business tax	68	846
	<b>\$ 72,478</b>	<b>\$ 75,834</b>

## 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.

	2017	2016
Equity Investment	\$ 44,558,291	\$ 42,234,291
Allowance against Equity Investment	(43,942,239)	(41,711,180)
Recoupment - Equity Investment	(616,052)	(523,111)
	<b>\$ -</b>	<b>\$ -</b>

**NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION****Notes to Financial Statements****Year Ended March 31, 2017****8. RECOUPMENT**

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

	2017	2016
<b>Recoupment</b>		
Hold Fast Productions Inc. - Hold Fast	\$ -	\$ 212
Ivy Cottage (NL) Productions Inc. - Relative Happiness	-	1,526
Morage Loves Love and Savagery Inc. - Love and Savagery	-	14,570
Movie Star Productions - GUMS	<b>16,850</b>	-
Odd Sock Films Inc. - Don Jamieson	-	7
Republic of Doyle - Republic of Doyle (Season 1 - 6)	<b>63,503</b>	-
Take the Shot Productions Inc. - Republic of Doyle	-	124,240
Rock Island Productions Inc. - Puffin Patrol	<b>12,588</b>	-
	<b>\$ 92,941</b>	<b>\$ 140,555</b>

**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.

	2017	2016
Development Loans	\$ 4,955,307	\$ 4,753,697
Allowance against development loans	<b>(4,955,307)</b>	<b>(4,753,697)</b>
	<b>\$ -</b>	<b>\$ -</b>

**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, 2017, the Corporation was contractually committed to advance funds totaling 2018 - \$3,527,280 (2017 - \$1,160,770) 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, 2017

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### 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, 2017.

#### 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, 2017**

	2017	2016
<b>Receipts</b>		
Province of Newfoundland and Labrador Funding - Republic of Doyle	\$ -	\$ 2,340,000
Province of Newfoundland and Labrador Funding	2,000,000	1,955,000
Province of Newfoundland and Labrador Funding - Frontier	500,000	500,000
Recoupment <i>(Note 8.)</i>	92,941	140,555
Interest Earned	496	1,920
	<b>\$ 2,593,437</b>	<b>\$ 4,937,475</b>
<b>Current year commitments</b>		
Away Films Inc. - Hammer	\$ -	\$ 18,810
Bright White Productions - Romance and the Word	-	8,745
Carrie at Heart Productions Ltd.	20,955	4,925
Cranky Goat Entertainment Ltd. - Of this Place	40,000	35,000
Dream Shake Media Inc. - Perfect Family	-	10,461
F. James TV Film Co. Ltd. - Club One International Series	109,021	30,000
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
Media Connections Film Inc. - Avon Ladies Rural Style	25,100	9,900
Media Connections Film Inc. - Bullet for the General	-	7,650
Morag Loves Armageddon Limited - Armageddon	-	222,500
Morag Loves Away Inc. - Away From Everywhere	-	71,269
Morag Loves Company Limited - Pays	425,000	-
Morag Loves Company Limited - Rebirth of the San Juan	-	9,583
Morag Loves Company Limited - White Wolves	100,000	-
Riverhead Films Inc.	16,200	-
Odd Sock Films Inc. - Franklin River Blockade	-	12,797
Odd Sock Films Inc. - Shoot Me (Phase II)	-	16,243
Panoramic Pictures Inc. - Touch - Picturestart	-	2,644
Pope Productions Ltd. - Amelia Curran Mental Health Project	-	31,200
Pope Productions Ltd. - Good Citizen	-	5,000
Pope Productions Ltd. - Hole in the Wall	-	20,175
Pope Productions Ltd. - Magic of Boxer Connors	-	9,940
Pope Productions Ltd. - East of West telefilm	20,185	-
Pope Productions Ltd. - MunChinese Club	7,260	-
Pope Productions Ltd. - Outside voices	7,260	-
Pope Productions Ltd. - Pignut	-	243,500
Pope Productions Ltd. - Trainwreck Theatre	7,260	-
Republic Season 5 Inc. - Republic of Doyle V	-	1,250,000
Republic Season 6 Inc. - Republic of Doyle VI	-	1,090,000
Media Connections Film Inc. - Come home year	14,850	-
Rink Rat Productions Inc. - When the Boys Came Home	-	6,734
Riverhead Films Inc. - Riverhead	-	34,180
Road de Luxe Productions Inc. - Moving on	-	1,782
Rock Island Productions Inc. - The Portuguese Boy	-	13,209
Rock Island Productions Inc. - Wild Thing	-	34,650
Sarah Fost Pictures Inc. - What Waits for Them in Darkness	-	35,000
Sexton and Son Productions Inc. - Social Work	-	7,732
Hors Circuit Saison 2 Inc. - Hors Circuit Season 2	184,000	44,252
Small Shack Productions Inc. - Maudie	50,000	637,500
Small Shack Productions Inc. - Maudie	-	29,164

See notes to financial statements

**NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**

Springwater Productions Inc. - The Past is Cast	-	23,000
Braven (NL) Inc.	500,000	-
Fort James Season 2 (NL) Inc.	1,000,000	830,000
Take the Shot Productions Inc. - The Black Strand PII	-	3,978
Take the Shot Productions Inc.- Chaos	-	18,500
Vango Productions Inc.	20,460	-
The Rightful Heir Productions Inc. - O'Brien's	-	6,930
Wreckhouse Productions Inc. - Atlantic	-	17,443
	<b>\$ 2,547,551</b>	<b>\$ 4,931,242</b>
Excess of receipts over commitments (commitments over receipts)	<b>\$ 45,886</b>	<b>\$ 6,233</b>
Opening Balance	<b>18,510</b>	<b>3,037</b>
Adjustment from prior year - When the Boys Came Home	-	9,240
	<b>\$ 64,396</b>	<b>\$ 18,510</b>