

# Nova Scotia Independent Production Fund

## 2021 – 2022 ANNUAL REPORT

### **Nova Scotia Independent Production Fund**

1800 Argyle Street, Suite 701  
PO Box 2374  
Halifax, Nova Scotia B3J 3E4

Telephone: 902.424.7181  
[filmapplication@nsbi.ca](mailto:filmapplication@nsbi.ca)

# TABLE OF CONTENTS

INTRODUCTION.....3

PROJECT INFORMATION ..... 4

STATISTICS.....5

MEASUREMENTS OF SUCCESS.....5

OFFICIAL LANGUAGE MINORITY COMMUNITIES (OLMC's) ..... 6

PROJECT SELECTION COMMITTEE MEMBERS ..... 6

BOARD OF DIRECTORS .....7

FINANCIAL STATEMENTS .....8

# INTRODUCTION

This 2021-2022 Annual Report on the activities of Nova Scotia Independent Production Fund (NSIPF) is submitted to the Canadian Radio-Television and Telecommunication Commission (CRTC) as per CRTC regulations and reporting requirements.

On June 9, 2016, Nova Scotia Independent Production Fund obtained certification from the CRTC as an independent production fund (IPF). Nova Scotia Independent Production Fund was incorporated by Nova Scotia Business Incorporated on April 1, 2016 as a not-for-profit entity for the sole purpose of becoming an independent production fund. An IPF is required, as per the Broadcasting Regulatory Policy CRTC, to administer certain program funds from a broadcasting distribution undertaking (BDU). With this certification, Nova Scotia Independent Production Fund can administer the Eastlink TV Independent Production Fund Program (Eastlink Program) – a program funded solely by Eastlink as a BDU.

The Board of NSIPF would like to thank Eastlink for its dedication, support, appreciation, and financial contributions to the film industry in Nova Scotia.

This report outlines projects and expenditures for the sixth year of NSIPF's operation and contains key statistics relating to the overall success of NSIPF.

# PROJECT INFORMATION



## King & Pawn

**Synopsis:** King & Pawn is a single camera, narrative digital-first comedy series. Rhett McManus inherits his family's pawn shop, King & Pawn, following the untimely death of his father, Geoff. Unbeknownst to Rhett, the shop isn't everything it appears to be: cute enough but with a serious odor problem, acting as a community hive for petty crime, back-door dealings, and a place of respite for Halifax's least desirables. Surrounded by people looking to make a quick buck, the kind-hearted and confused Rhett has no choice but to learn quickly in order to preserve his father's legacy and avoid being run out of business by a rival pawn shop, High Roller's. To keep the doors open, Rhett will have to do his best to turn around the shop's reputation and lure back the local community of loveable underdogs. Along the way, he's forced to deal with unsavory customers, incompetent staff, and a never-ending stream of moral dilemmas as he comes to understand the true nature of the pawn industry.

**Project Type:** Production

**Type of Programming:** 5 x 12-15 minutes scripted comedic web series

**Closed Captioning/Described Video:** Yes

**Production Company (location):** Halifax Regional Municipality

**Producer(s):** Tieren Hawkins, Amy Trefry

**Location of Production:** Halifax Regional Municipality

**Broadcaster:** Bell Canada

## STATISTICS

For the period April 1, 2021 to March 31, 2022:

Number of applications received	1
Number of projects funded	1
Regional project commitments (100% Nova Scotia)	\$20,000
Aboriginal-language project commitments	\$0
Third-language project commitments	\$0
English-language project commitments	\$20,000
French-language project commitments	\$0
Non-programming digital content commitments	\$0
<b>Total project commitments</b>	<b>\$20,000</b>

## MEASUREMENTS OF SUCCESS

Nova Scotia Independent Production Fund has established in the guidelines for the Eastlink TV Independent Production Fund Program criteria for consideration in assessing the applications. The guidelines can be accessed here:

[https://www.novascotiabusiness.com/sites/default/files/EastlinkTV\\_Guidelines\\_and\\_Application.pdf](https://www.novascotiabusiness.com/sites/default/files/EastlinkTV_Guidelines_and_Application.pdf)

The Board of Directors will take into account the following elements in its decision-making process:

- Nova Scotia expenditure
- Nova Scotians in key roles
- Nova Scotia labour
- Track record of the production company
- Market potential of the project
- Opportunity for NSIPF to recoup its investment

## **OFFICIAL LANGUAGE MINORITY COMMUNITIES (OLMC's)**

NSIPF considers accessible programming to all language groups when reviewing applications from eligible Nova Scotia based production companies. NSIPF will continue to make available information on the Eastlink Program to all communities in Nova Scotia.

## **PROJECT SELECTION COMMITTEE MEMBERS**

The Project Selection Committee members consist of film and programming professionals with a combined 35 years of experience in the industry. These members work together to evaluate applications and assess the viability of potential projects. The member who is responsible for ensuring that OLMC's reflection and issues are taken into consideration is Linda Wood.

# BOARD OF DIRECTORS

## **Laurel Broten, Chair**

As President and CEO of Nova Scotia Business Incorporated, Laurel Broten is responsible for providing overall strategic direction for the crown corporation. Working with a private-sector led Board of Directors, Laurel is focused on transformative strategies that implement evidence-based decision-making to lead the business development agency for the province.

## **Peter MacAskill, Vice-Chair**

Peter MacAskill is the Chief Operating Officer at Nova Scotia Business Incorporated. He joined NSBI in 2002 and is currently responsible for Business Financing, Regional Business Development, and Export Development.

## **Glenda Lindsay, Director**

Glenda Lindsay, CPA, CGA is the Director, Corporate Services & Compliance at Nova Scotia Business Incorporated. She joined NSBI in 2003 and is currently responsible for the organization's compliance and risk management, accounting services, information technology and digital solutions services, information management, and human resources.

---

Financial statements of  
Nova Scotia Independent  
Production Fund

March 31, 2022

---

---

Management's Report	1
Independent Auditor's Report	2-3
Statement of financial position	4
Statement of operations and changes in accumulated surplus	5
Statement of cash flows	6
Notes to the financial statements	7-9
Schedule 1 – Schedule of administrative expenses	10

---

# Management's Report

## Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedule, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews internal financial statements and external audited financial statements annually.

The external auditors, Deloitte LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Nova Scotia Independent Production Fund and meet with them when required.

On behalf of Nova Scotia Independent Production Fund



Laurel C. Broten  
CEO



Ferdinand Makani  
Controller

## Independent Auditor's Report

To the Directors of  
Nova Scotia Independent Production Fund

### Opinion

We have audited the financial statements of Nova Scotia Independent Production Fund (the "Corporation" or "NSIPF"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in accumulated surplus, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, and the results of its operations, and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
June 15, 2022

# Nova Scotia Independent Production Fund

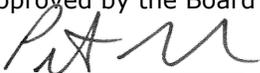
## Statement of financial position

As at March 31, 2022

	Notes	2022 \$	2021 \$
<b>Financial assets</b>			
Cash and cash equivalents		844,091	762,196
Accounts receivable		165	3,690
		<b>844,256</b>	<b>765,886</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		8,107	7,177
Commitments payable	4	90,438	10,438
Deferred revenue		633,098	635,658
		<b>731,643</b>	<b>653,273</b>
<b>Net financial assets</b>		<b>112,613</b>	<b>112,613</b>
<b>Accumulated surplus</b>		<b>112,613</b>	<b>112,613</b>

The accompanying notes are an integral part of the financial statements.

Approved by the Board :

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**Nova Scotia Independent Production Fund**  
**Statement of operations and changes in accumulated surplus**  
Year ended March 31, 2022

	Notes	<b>2022</b>	2021
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Independent production fund contributions	6	<b>303,413</b>	—
Recovery of film production equity investments	4	<b>22,634</b>	—
Interest income		<b>1,746</b>	1,288
		<b>327,793</b>	1,288
<b>Expenses</b>			
Film production equity investments (recoveries)	4	<b>320,000</b>	(118,500)
Administrative expenses (Schedule 1)	6	<b>7,793</b>	7,175
		<b>327,793</b>	(111,325)
Annual operating surplus		—	112,613
Accumulated surplus, beginning of year		<b>112,613</b>	—
<b>Accumulated surplus, end of year</b>		<b>112,613</b>	112,613

The accompanying notes are an integral part of the financial statements.

## Nova Scotia Independent Production Fund

### Statement of cash flows

Year ended March 31, 2022

---

	Notes	2022 \$	2021 \$
<b>Operating transactions</b>			
Annual operating surplus		—	112,613
Change in non-cash working capital items	5	<b>81,895</b>	168,884
		<b>81,895</b>	281,497
Increase in cash and cash equivalents		<b>81,895</b>	281,497
Cash and cash equivalents, beginning of year		<b>762,196</b>	480,699
<b>Cash and cash equivalents, end of year</b>		<b>844,091</b>	762,196

The accompanying notes are an integral part of the financial statements.

# Nova Scotia Independent Production Fund

## Notes to the financial statements

March 31, 2022

---

### 1. Business overview

On August 24, 2011 the Corporation's predecessor, Film and Creative Industries ("FCINS"), in partnership with Eastlink Television launched an independent production fund ("IPF") in accordance with The Canadian Radio-Television and Telecommunications Commission Broadcasting Distribution Regulations.

On April 9, 2015, Bill No. 108 passed by the Province of Nova Scotia assigned the assets and liabilities of the FCINS including those of the restricted IPF to Nova Scotia Business Incorporated ("NSBI").

Subsequently on April 1, 2016 with the consent of the Province of Nova Scotia pursuant to Section 68(1) of the Finance Act, NSBI incorporated a wholly owned subsidiary, Nova Scotia Independent Production Fund ("NSIPF" or the "Corporation") to continue with the operations of the IPF activities of its predecessor, FCINS. The assets and liabilities of the FCINS's IPF were also assigned to this new Corporation. On June 9, 2016, NSIPF was certified by the Canadian Radio-Television and Telecommunications Commission ("CRTC") and was added to the list of independent production funds to continue to administer The Eastlink TV Independent Production Fund Program previously carried out by its predecessor, FCINS. As a result, net assets having a value of \$nil, being \$257,579 in cash, \$51,803 in accounts receivable, \$5,000 in accounts payable and accrued liabilities, \$274,800 in commitments payable and \$29,582 in deferred revenue were transferred into the Corporation.

The Corporation's purpose continues to be as was FCINS's as an IPF that is to support Nova Scotia and Canadian television programming by receiving contributions as a restricted independent production fund under the Broadcasting Distribution Regulations and to distribute such contributions to the productions determined to be eligible for funding in accordance with the requirements of the CRTC.

### 2. Economic dependence

Eastlink Television in its capacity as a registered broadcasting distribution undertaking ("BDU") for the reception of broadcasting and the retransmission thereof by radio waves or other means of telecommunication under the CRTC Regulations, is a related party of the Corporation. The Corporation is dependent on annual funding from Eastlink Television to invest in qualifying projects. The impact on future funding and accessibility are not known at this time.

### 3. Significant accounting policies

#### *Basis of accounting*

These financial statements of the Corporation have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board ("PSAB").

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of legal obligation to pay.

#### *Cash and cash equivalents*

Cash and cash equivalents include balances with banks and cash invested in short-term highly liquid investments.

## **Nova Scotia Independent Production Fund**

### **Notes to the financial statements**

March 31, 2022

---

### **3. Significant accounting policies (continued)**

#### *Financial instruments*

Financial assets and liabilities are measured at amortized cost using the effective interest method.

#### *Film production equity investments*

Film production equity investments are recorded as commitments payable and charged to the current expenditures when the funding is formally committed. Recoveries derived from these investments are recorded as revenue when reported by the producers. It is not feasible to accrue recoveries from the film production equity investments since these recoveries remain uncertain until reported, as they are based upon the financial results of the recipients' activities.

#### *Deferred revenue*

Funds received from Eastlink Television are first recognized as a liability and recognized in income when the related expenses, investments in qualifying projects, are incurred.

#### *Use of estimates*

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. There are no significant estimates included in the financial statements.

#### *Revenue recognition*

Unrestricted contributions are recognized as revenue when received or receivable.

Recovery of film production equity investments are recorded as reported by producers.

Contributions received under the independent production fund are deferred and recognized into revenue when the funds have been committed to qualifying projects.

Investment and other income is recorded in the period in which the related income is earned.

#### *Contributed services*

The Corporation receives certain contributed services from its parent company, NSBI, in carrying out its activities. It is the policy of NSIPF to not recognize these services in the financial statements.

#### *Budget*

The Corporation has not presented a budget in its statement of operations and changes in accumulated surplus as the Corporation does not prepare an assessment of future operations.

## Nova Scotia Independent Production Fund

### Notes to the financial statements

March 31, 2022

---

#### 4. Film production equity investments

Film production equity investments are made with condition of repayment through participation in revenues of projects. Equity investments made by the Corporation during the year were \$320,000 (2021 - \$nil), however, \$nil (2021 - \$118,500) previously made investments were cancelled resulting in a cumulative total of equity investments made by the IPF, assigned and originated, as at March 31, 2022 of \$5,820,680 (2021 - \$5,500,680).

The Corporation received \$22,634 (2021 - \$16,887) in the recovery of equity investments, with a cumulative total of recoupment by the IPF as at March 31, 2022 of \$237,954 (2021 - \$215,321).

#### 5. Changes in non-cash working capital items

	2022	2021
	\$	\$
Accounts receivable	3,525	22,699
Accounts payable and accrued liabilities	930	(2,324)
Commitments payable	80,000	(175,200)
Deferred revenue	(2,560)	323,709
	<b>81,895</b>	168,884

#### 6. Related party transactions

During the year ended March 31, 2022, NSBI, the parent company, elected to pay certain expenses including salaries and benefits and rent on behalf of the Corporation with no charge to the Corporation in the amount of approximately \$18,700 (2021 - \$16,591) However, Section 34(j) of the By-Laws of the Fund allows NSBI to recoup costs associated with the administration of this Corporation to a maximum of 5% of contributions from the BDU.

Eastlink Television, partner of the IPF, provides the Corporation with the funds which are used for equity investments. The Corporation received \$300,854 (2021 - \$332,843) during the year from Eastlink Television.

**Nova Scotia Independent Production Fund**  
**Schedule 1 – Schedule of administrative expenses**  
Year ended March 31, 2022

---

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Professional fees	<b>7,490</b>	7,175
Office expenses	<b>303</b>	—
	<b>7,793</b>	7,175