

Nova Scotia Independent Production Fund

2024 - 2025 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@investnovascotia.ca

TABLE OF CONTENTS

INTRODUCTION	3
PROJECT INFORMATION	4
STATISTICS	9
MEASUREMENTS OF SUCCESS	9
OFFICIAL LANGUAGE MINORITY COMMUNITIES (OLMC's)	10
PROJECT SELECTION COMMITTEE MEMBERS	10
BOARD OF DIRECTORS	11
FINANCIAL STATEMENTS	12

INTRODUCTION

This 2024-2025 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 Invest Nova Scotia 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.

This report outlines projects and expenditures for the ninth year of NSIPF's operation and contains key statistics.

PROJECT INFORMATION



0-60

Synopsis: 0-60 is about Stevie Parsons and how he runs his driving school in a strip mall. Much like Stevie's real driving school, the students at 0-60 Driving Academy are a combination of Dartmouth High teenagers, new Canadians and good people who've made bad decisions and are trying to get their license back. At night, Stevie P indulges his real passion: playing music in the funk band Drive Shaft. The driving school conveniently doubles as the band's rehearsal space. All they have to do is push the desks to the outer wall, wheel in the amps, turn off the harsh overhead fluorescent lights and bam...Funkytown. This has been Stevie's life for years and it has worked fine. Now about to turn 60, Stevie is finally ready to work less and play more. The modest condo for sale in that gated community in central Florida is calling so it's time to figure out a succession plan for the school. Makes sense to hand the wheel over to one of his two 20-something kids. Our show takes place mostly in the 0-60 classroom in a Dartmouth strip mall. It's the perfect microcosm for society. A driving school is a place that everybody has to go at some point, regardless of race, social standing or personality type. It has a front desk area, a classroom and a staff lunchroom. This provides us with a home for our consistent core cast of characters, as well as these occasional passengers.

Project Type: Production

Type of Programming: 6 x 10 minutes Comedy Television Series

Closed Captioning/Described Video: Yes

Production Company (location): Truro

Producer(s): Jonathan Torrens, Jenna Macmillan

Location of Production: Colchester County, Nova Scotia

Broadcaster: Bell Canada



Dance with Thickety

Synopsis: Dance with Thickety is a zany upper preschool CGI series created by award-winning director Jessica Borutski, known for her work on Looney Tunes and Loud House, and it features world-renowned hit songs, thanks to our partnership with BMG Music. Aimed at children aged 3-6 and their music-loving parents, this co-viewing bonanza has all the right ingredients to cut through the digital clutter and establish a groundbreaking new brand in kids' entertainment.

Project Type: Production

Type of Programming: 10 x 3.5 minutes and 1 x 25 minutes Animation Television Series

Closed Captioning/Described Video: Yes

Production Company (location): Halifax Regional Municipality

Producer(s): Juan Cruz Baldassarre, Angela Chisholm

Location of Production: Halifax Regional Municipality

Broadcaster: DHX Television Ltd./d.b.a Wildbrain Television



Toopy and Binoo

Synopsis: Toopy and Binoo, the cherished animated preschool series, continues to enchant audiences with its timeless tale of friendship and boundless imagination. Rooted in the heartwarming bond between Toopy, the exuberant mouse, and Binoo, the thoughtful cat, the show thrives on laughter, play, and the joy of discovery. Together, they embark on whimsical adventures that transport them to fantastical worlds of their own creation, where anything is possible and happiness abounds. Building upon its rich legacy of success in publishing, television, home entertainment, toys, apparel, live events, and a feature film, Toopy and Binoo remains a beloved brand by Canadian families. With its proven track record and universal appeal, the series has captured the hearts of viewers in 170 countries, adapted into 30 languages. Season 4 promises to deliver the same enchanting blend of kid-focused storytelling, imaginative worlds, laugh out loud humor, and heartwarming friendship that audiences have come to adore. Through imaginative play, children are invited to join Toopy and Binoo on their magical journey, fostering creativity, problem-solving skills, and social-emotional development. Humor plays a central role in the series, with Toopy's endearing antics and Binoo's knowing expressions eliciting laughter from viewers of all ages. Through gentle slapstick, surreal comedy, and clever wordplay, Toopy and Binoo engage preschoolers in cognitive development while keeping them entertained. While staying true to its classic and timeless themes, Toopy and Binoo also address the realities of children's lives today, incorporating familiar elements such as everyday activities and modern technology into their universe. Themes of diversity, acceptance, and environmental care are woven seamlessly into the fabric of the series, reflecting the values of contemporary parents and children alike.

Project Type: Production

Type of Programming: 39 x 7 minutes Animation Television Series

Closed Captioning/Described Video: Yes

Production Company (location): Halifax Regional Municipality

Producer(s): Janice Metzger, Sarah Chatelain, Adam Mimmagh

Location of Production: Halifax Regional Municipality

Broadcaster: Société Radio-Canada, Canadian Broadcasting Corporation

STATISTICS

For the period April 1, 2024, to March 31, 2025:

Number of applications received	5
Number of projects funded	3
Regional project commitments (100% Nova Scotia)	\$413,752
Aboriginal-language project commitments	\$0
Third-language project commitments	\$0
English-language project commitments	\$197,752
French-language project commitments	\$216,000
Non-programming digital content commitments	\$0
Total project commitments	\$413,752

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://investnovascotia.ca/sites/default/files/EastlinkTV_Guidelines_and_Application_Nov23.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 40 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

Beth Girard, Chair

Beth Girard is the Acting President & CEO of Invest Nova Scotia. She has been with Invest Nova Scotia and one of its predecessors (Nova Scotia Business Inc.) for close to 17 years with leadership experience over the People & Culture, IT, Finance, Strategy & Research, Marketing, and Regional and Market Development areas of the organization. Beth's team also manages key industrial properties on behalf of the Province of Nova Scotia totalling over 3500 acres and including strategic marine assets such as the Woodside Multipurpose Marine Facility, Port of Sheet Harbour, and land and wharves within the Point Tupper Heavy Industrial Park. Prior to working with Invest Nova Scotia, Beth had a career in the fields of market research and human resources within the seafood and ICT sectors. She played an instrumental role in opening up the fresh scallop industry in New England in the early 1990s and has led international recruitment teams through the attraction, retention and optimization of global ICT workforces. Beth holds an IT programming diploma, a Bachelor of Arts in Economics and a Master of Business Administration.

Diana Dunn, Director

Diana Dunn is the Manager, Program Support at Invest Nova Scotia. She joined Invest Nova Scotia in 2008 and has worked in a variety of roles in areas including business financing, investment attraction, corporate services, and business growth. She is currently responsible for facilitating the organization's compliance and risk management for programs and overseeing the shared service functions of incentive payments and incentive reporting.

FINANCIAL STATEMENTS

Financial statements of
Nova Scotia Independent Production
Fund

March 31, 2025

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations and changes in accumulated surplus	4
Statement of cash flows	5
Notes to the financial statements	6-8
Schedule 1 - Schedule of administrative expenses	9

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 consolidated 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



Beth Girard
Acting President & CEO



Ferdinand Makani
Controller

Independent Auditor's Report

To the Board of Directors of
Nova Scotia Independent Production Fund

Report on the Audit of the Financial Statements

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, 2025, 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, 2025, 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

Halifax, Nova Scotia

June 25, 2025

Nova Scotia Independent Production Fund

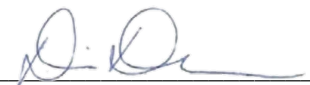
Statement of financial position

As at March 31, 2025

	Notes	2025 \$	2024 \$
Financial assets			
Cash and cash equivalents		643,107	806,426
Accounts receivable		1,235	37,955
		644,342	844,381
Liabilities			
Accounts payable and accrued liabilities		10,803	10,353
Commitments payable	4	498,168	161,680
Deferred revenue		22,759	559,735
		531,729	731,768
Net financial assets		112,613	112,613
Accumulated surplus		112,613	112,613

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, 2025

	Notes	2025 \$	2024 \$
Revenue			
Independent production fund contributions	6	536,976	379,766
Interest income		17,073	25,341
Recovery of film production equity investments	4	93	—
		554,142	405,107
Expenses			
Film production equity investments	4	543,252	394,655
Administrative expenses (Schedule 1)	6	10,890	10,452
		554,142	405,107
Annual operating surplus		—	—
Accumulated operating surplus, beginning of year		112,613	112,613
Accumulated surplus, end of year		112,613	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, 2025

	Notes	2025 \$	2024 \$
Operating transactions			
Annual operating surplus		—	—
Change in non-cash working capital items	5	(163,319)	(154,943)
		(163,319)	(154,943)
Decrease in cash and cash equivalents		(163,319)	(154,943)
Cash and cash equivalents, beginning of year		806,426	961,369
Cash and cash equivalents, end of year		643,107	806,426

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

Nova Scotia Independent Production Fund

Notes to the financial statements

March 31, 2025

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 in accordance with The Canadian Radio-Television and Telecommunications Commission Broadcasting Distribution Regulations.

On April 9th, 2015, Bill No. 108 passed by the Province of Nova Scotia assigned the assets and liabilities of the FCINS including those of the restricted independent production fund ("IPF") to Nova Scotia Business Incorporated ("NSBI"), which was continued as Invest Nova Scotia effective December 1, 2022.

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") 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 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. 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 transmission thereof by radio waves or other means of telecommunications under the CRTC Regulations, is a related party of the Corporation.

For further clarity, NSIPF can administer the Eastlink TV Independent Production Fund Program – a program solely funded by Eastlink as a DBU.

In the current year, Eastlink has informed the Corporation that it will cease to make contributions.

There are no alternative funding sources; therefore, the Corporation will have no additional annual funding from Eastlink Television to invest in new qualifying projects.

In the current year, the Corporation is in the position of administering the debt obligations of existing agreements, determining the ability to fund additional projects, and fulfilling annual CRTC requirements.

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.

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 the financial statements in accordance 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.

3. Significant accounting policies (continued)

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 as the Corporation does not prepare an assessment of future operations.

Adoption of new accounting standards

Effective April 1, 2022, the Fund has adopted the newly issued accounting standard, asset retirement obligations under PSAS Section 3280 ("Section 3280") which provided guidance relating to the accounting for the asset retirement obligations associated with the retirement of tangible capital assets.

The application of their amendment does not have an impact on the Funds' financial statements.

4. Film production equity investments

Film production equity investments are made with condition of repayment through the participation in revenues of projects. Equity investments made by the Corporation during the year were \$543,252 (\$394,655 in 2024), resulting in a cumulative total of equity investments made by the IPF, assigned and originated, as at March 31, 2025 of \$6,808,839 (2023 - \$6,265,587).

The Corporation received \$93 (nil in 2024) in recovery of equity investments, with a cumulative total of recoupment by the IPF as at March 31, 2025 of \$240,507 (\$240,414 in 2024).

5. Changes in non-cash working capital items

	2025 \$	2024 \$
Accounts receivable	36,720	(37,977)
Accounts payable and accrued liabilities	450	1,068
Commitments payable	336,488	109,428
Deferred revenue	(536,976)	(229,462)
	<u>(163,319)</u>	<u>(156,943)</u>

6. Related party transactions

During the year ended March 31, 2025, Invest Nova Scotia, 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 about \$22,871 (\$19,668 in 2024). However, Section 34(j) of the By-Laws of the Fund allows Invest Nova Scotia to recoup costs associated with the administration of this Corporation to a maximum of 5% of contributions from BDU.

Eastlink Television, partner of the IPF, provides the Corporation with the funds which are used for equity investments. The Corporation received nil (\$150,304 in 2024) during the year from Eastlink Television.

Nova Scotia Independent Production Fund
Schedule 1 - Schedule of administrative expenses
Year ended March 31, 2025

	2025	2024
	\$	\$
Professional fees	10,800	10,350
Bank charges	90	90
Office expenses	—	12
	10,890	10,452