

**DAMMIT**  
**WE DELIVER**

**nsi**  **national screen institute**

**2012/13 ANNUAL REPORT IN BRIEF**

## Message from NSI's CEO



NSI CEO John Gill

**2012-13 will be remembered as a watershed year for NSI. Not only did we achieve a complete turnaround in our financials, we made a small surplus at year's end. We grew revenues while cutting costs. We launched more courses, created more partnerships and solidified our position of relevance within the industry, both in Manitoba and across Canada.**

**Dammit, we deliver!** NSI launched three new courses: **NSI Lifestyle & Reality Series Producer**, **Movie Central Script to Screen** and **NSI Aboriginal Documentary**. All were well received and fully funded but, just as importantly, they were backed with strong support from the industry.

We strengthened and broadened our relationships with the private sector and now rely less on public funding. We did so without abandoning our commitment to those communities who count on NSI to deliver the very best training and content development available. In particular, we deepened our relationship with the Aboriginal community and saw more successes for our Aboriginal alumni.

Our students' projects reached worldwide audiences and received prestigious accolades, including the selection of two alumni projects to the **Telefilm Micro-Budget Production Program**, two **NSI Drama Prize** shorts and an **NSI Features First** film premiering at TIFF 2012, a strong NSI presence at Cannes Film Festival and countless screenings around the world.

But we couldn't achieve any of this without our staff and extended faculty – volunteers from across the industry that give of their time. We're incredibly proud of the whole team. They're making an impact on the lives of our students and being rewarded for their efforts: Ursula Lawson, Melissa Kajpust and Lisa Meeches (NSI Aboriginal training programs advisor) won a 2013 YMCA-YWCA Women of Distinction Award in the Circle of Inspiration category for their work with our Aboriginal students through **NSI New Voices**.



Ursula Lawson, Lisa Meeches and Melissa Kajpust

If 2011-12 was the year of planning and rebuilding, 2012-13 was a year of solid execution and, in many ways, a resurrection of the organization.

**DAMMIT WE'RE GOOD!**

A handwritten signature in black ink that reads "J. Gill". The signature is fluid and cursive.

**John Gill** Chief Executive Officer

## Dammit we deliver!

NSI has always called itself an organization that delivers market-driven courses. That has never been truer than this past year.

**NSI COURSES ARE ALWAYS EVOLVING.** NSI Drama Prize has been around for more than 20 years and students' short films continue to screen around the world. NSI Totally Television has seen 12 series developed by broadcasters and seven hit the airwaves. Fifteen NSI Features First films have hit the big screen with more getting close. Eighty-five per cent of NSI New Voices students are working in the industry or pursuing more education.

treatment for a feature film in the hopes of being one of the five that received a development advance of up to \$50,000. NSI's director of programming Melissa Kajpust, herself an award-winning writer, mentors the selected writers as they shape their ideas from early development to a polished production-ready script with viable market interest.

There was a two-month call for submissions, but the 150 cap was reached in the first month. Same thing in 2013, this time with a 200 cap. This strategy of trainer and broadcaster working together is a great example of the industry coming together to meet the needs of Canadian storytellers.



Melissa Kajpust announces 2013 Movie Central Script to Screen at Banff | NSI Aboriginal Documentary students with NSI Aboriginal Training Programs Partner Manitoba Liquor & Lotteries

These courses are meeting a need in the Canadian screen industry, but NSI knew there were more areas that required development. So this year, working more closely than ever with Canadian broadcasters – because it's smart business for NSI and helps our partners meet their goals – NSI developed a trifecta of new courses.

### Movie Central Script to Screen

At the Banff World Media Festival in 2012, NSI and Corus Entertainment announced the launch of a new and exciting initiative – Movie Central Script to Screen. Open to Canadian screenwriters, applicants submitted a

### NSI Aboriginal Documentary

There was a gap in training for Aboriginal screen professionals working below-the-line who wanted to make the leap to director or producer. Enter NSI Aboriginal Documentary – a course that prepares students for a creative career. Director/producer teams undergo a boot camp and months of mentoring and research, then produce a short documentary. The inaugural films will be broadcast on MTS TV's Stories From Home, APTN and aptn.ca.

The first year was a pilot program for Manitoba participants only. Year two is open to teams from across Canada. The students are trained by and introduced to the best in the business, not only during their intensive training in Winnipeg, but also through the people they meet as delegates at the Hot Docs Canadian International Documentary Film Festival. The course has attracted new and returning sponsors for NSI, including presenting and tuition sponsor NBCUniversal, program partners Manitoba Culture, Heritage & Tourism and APTN, NSI Aboriginal training programs partner Manitoba Liquor & Lotteries, community investor MTS TV, strategic sponsors The Winnipeg Foundation and Frank Digital/Mid Canada Production Services, supporting sponsors City of Winnipeg and Hot Docs, provincial sponsor Manitoba Film & Music and service sponsor Line 21.

### **NSI Lifestyle & Reality Series Producer**

Canada has an excellent reputation for delivering popular lifestyle and reality programming. As the demand for factual programs grew the need for more qualified showrunners/producers increased.

Enter NSI and partners Shaw Media, Bell Media and Corus Entertainment with the blessing of industry sponsor, CMPA.

In fall 2012 NSI began the NSI Lifestyle & Reality Series Producer course. Unlike NSI's other training courses where there is an application process, production companies with series green-lit by one of our partners nominate qualified participants. Those students receive a one-week training session and eight-week practical apprenticeship on that series.

The course was entirely supported by the television industry and meets our common goal – great TV.

Cineflix Media, Paperny Entertainment, RTR Media, Big Coat Productions, Cellar Door Productions, Architect Films and Frantic Films all participated for their shows *Property Brothers*, *Yukon Gold*, *Mother of the Bride*, *Love it or List it*, *Chef Michael's Kitchen* and *Decked Out*.

### **SO WHAT'S NEXT AT NSI?**

The idea factory never closes. Stay tuned.

### **Web series & digital**

NSI always looks for ways to embrace digital media. All courses include it in their curricula, but we always want to do more, and in spring 2013 we partnered with Bite TV for the introduction of the Bite TV Web Symposium and \$10,000 development deal.



Daniel Beirne and Mark Little

First there was a call for submissions for web series ideas. Then three finalists attended the symposium and gave their final pitch to a jury. Daniel Beirne and Mark Little's *Dad Drives* won. NSI director of online Liz Hover moderated a lively panel on web series creation, funding and distribution and the day ended with a networking reception bringing together established and emerging online content creators and distributors.

## Message from the Co-chairs of NSI's Board of Directors

When people talk about NSI, they often mention our talented graduates. But the dedicated staff and expert faculty of the National Screen Institute are responsible for developing not just the students and teams that go through its courses, but also for helping to develop their projects into viable works.

2012/13 was an excellent example of this as Maureen Bradley's NSI Features First-developed project *Two 4 One* is poised to become the next NSI success story. *Two 4 One* was awarded the Jim Murphy Filmmakers Bursary and the ZoomerMedia Bursary, as well as being selected to the Telefilm Micro-Budget Production Program.

Congratulations go to CEO John Gill, who had another great year along with his staff, leading the team as they successfully launched three new training courses. Thank you to the board of directors for their commitment and engagement with NSI. Farewell to long-time board member Bill Roberts, whose dedication throughout his tenure has been appreciated. We warmly welcome our newest member of the board Prem Gill, director of content at Telus.



Maureen Bradley

NSI board members Carole Vivier and Marlene Kendall with NSI  
Aboriginal training program advisor Lisa Meeches (centre)

Brad Pelman

Raja Khanna

We'd like to extend our gratitude to the associate faculty who take time away from their busy schedules to lend their expertise to our students and impact their careers in valuable ways. And to our sponsors and supporters – your personal and financial support allow us to do what we do.

And that is to lead in the development of careers and projects of Canadian writers, producers and directors by delivering market-driven training that gets results. Dammit, we're good.

**Brad Pelman** Co-chair, NSI Board of Directors  
President, Cinecup

**Raja Khanna** Co-chair, NSI Board of Directors  
CEO, Television & Digital, GlassBox Television Inc.

## Board of Directors

**Brad Pelman** (Co-chair)  
President, Cinecoup

**Raja Khanna** (Co-chair)  
CEO, Television & Digital  
GlassBox Television Inc.

**Marlene Kendall** (Finance Chair)  
Director, Internal Audit &  
Corporate Compliance  
Manitoba Lotteries Corporation

**Norm Bolen**  
Media Consultant

**Prem Gill**  
Director, Content  
Telus

**Jean LaRose**  
CEO, APTN

**Bruce Leslie**  
Publisher & Editor, yourmississaugabiz.com

**Michael A. Levine**  
Chairman, Westwood Creative Artists  
and Consultant to The Historica-Dominion  
Institute

**Marcia Martin**  
SVP Original Content, GlassBOX TV

**Christine Shipton**  
Vice President of Original Content  
Shaw Media

**Ron Suter**  
EVP & General Manager  
NBCUniversal Television Canada

**Virginia Thompson**  
Partner, President, Executive Producer  
Vérité Films

**Carole Vivier**  
CEO/Film Commissioner  
MANITOBA FILM & MUSIC

## Staff & Faculty

**John Gill**  
Chief Executive Officer

**David Pollock**  
Director of Finance

**Melissa Kajpust**  
Director of Programming

**Chris Vajcner**  
Director of Communications & Revenue  
Development

**Liz Hover**  
Director of NSI Online

**Brandice Vivier**  
Senior Program Manager

**Ursula Lawson**  
Manager of Programs & Development

**Lauren MacDiarmid**  
Communications & Programs Coordinator

**Elise Swerhone**  
Manager of Programs & Development

**Trinity Bruce**  
NSI New Voices Program Coordinator

**Sean Garrity**  
NSI Drama Prize Program Advisor

**Sam Linton**  
NSI Totally Television Program Advisor

**Al Magee**  
NSI Lifestyle & Reality Series  
Producer Advisor

**Lisa Meeches**  
Aboriginal Training Programs Advisor

**Jeff Newman**  
NSI Aboriginal Documentary  
Program Advisor

**Karen Powell**  
NSI Features First Program Advisor

## Associate Faculty

Our associate faculty, made up of industry executives and decision makers, give generously of their time to help train the next generation of content creators. They are a valuable resource to us and help keep our courses relevant and cutting edge. Visit [nsi-canada.ca](http://nsi-canada.ca) for more of our amazing associate faculty.

**Laszlo Barna**, President, Pier 21

**Kim Bondi**, VP Programming and Production, Cineflix

**Morwyn Brebner**, Creator, *Rookie Blue* & *Saving Hope*

**Don Carmody**, Producer, Don Carmody Productions

**Cal Coons**, Creator, *Murdoch Mysteries*

**Bob Culbert**, Documentary Consultant

**Katie Ruttan Daigle**, Series Producer

**Norman Denver**, Line Producer

**Claire Freeland**, Rogers

**Daniel Gelfant**, *Pitchin' In*

**Noreen Halpern**, Producer, Halfire Entertainment

**Gary Harvey**, Director/Producer

**Martin Katz**, Founder and President, Prospero Pictures

**Wab Kinew**, Director of Indigenous Inclusion  
University of Winnipeg

**Ken MacDonald**, Vice President of Programming, Bell Media

**Aaron Martin**, Showrunner, Story Editor

**Mike McLaughlin**, Vice-President, Program Sales  
Fox/Incendo

**Peter Meyboom**, Producer, Shaftesbury Films

**Bill Mustos**, President and Executive Producer  
Avamar Entertainment

**Karen Powell**, Executive Producer  
Perfect Circle Productions

**Jennifer Scott**, Executive Producer, Proper Television

**Jonathan Scott**, *Property Brothers*

**Mark Slone**, Senior VP of Acquisitions, Entertainment One

# NATIONAL SCREEN INSTITUTE SPONSORS

They support our courses in many ways – financially, personally, professionally and in-kind. Bottom line – without these sponsors, NSI would not exist. Dammit they deliver!



THE BRIAN LINEHAN CHARITABLE FOUNDATION



(CAHRD) Centre for Aboriginal Human Resource Development



Eastern Script Inc.  
www.easternscript.com



Creative and Technical Partners



## Courses

### NSI Totally Television

Trains writer/producer teams to develop scripted TV series concepts with the goal of securing a broadcast development deal. **2012/13 students:** **1** Alejandro (Alex) Alcoba, Aaron Champion **2** Kate Green, Jennifer Little

### NSI New Voices

Culturally-sensitive training exposing Aboriginal people aged 18-35 to creative and challenging employment opportunities in film and TV. **2013 students:** **3** Clockwise from left – Tanner Trudzik, Trinity Bruce (faculty), Jordon Fish, Aubrie Bruyere, Randy Sutherland, Charlene Moore, Chad Anderson (reclining), Jamie McKay, Ursula Lawson (staff), Andrew George

### NSI Features First

Trains writer/producer teams to develop their first or second feature film. **2013 students:** **4** Alex Molenaar, Peter Genoway **5** Carmen Forsberg, Adam Mars **6** Chris Trebilcock, Glen Wood **7** Maureen Bradley

### NSI Drama Prize

Trains emerging writer/director/producer teams to develop and produce a short film. **2013 students:** **8** Clockwise from left – Molly McGlynn, André Pettigrew, Michelle Latimer, Laura Perlmutter, Leah Johnston, Gerald Patrick Fantone, Kerry Swanson, Inga Dievulyte

### NEW Movie Central Script to Screen

A feature script development initiative funded by Movie Central and delivered by NSI. Selected writers receive a development advance of up to \$50,000. **2012/13 students:** **9 & 10** Paolo Mancini and Thomas Michael **12** Ben Rollo **13** Daniel Hogg **15** Julian Doucet **16** Pat Mills

### NEW NSI Lifestyle & Reality Series Producer

An advanced course designed to train lifestyle and reality series producers. **2012/13 students:** **11** L-R - Ann Whiteway, Melissa Smith, Christina Velocci, Kate Green, Brandice Vivier (staff), Al Magee (faculty), Rachel Coe, Jessica Vander Kooij, Nicole Butler

### NEW NSI Aboriginal Documentary

Trains emerging Aboriginal director/producer teams to develop and produce a short documentary for online and traditional screens. **2012/14 students:** **14** Clockwise from left – Jeff Newman (faculty), Gabriel Constant, Neil Bignell, Christopher Read, Sam Vint, Elise Swerhone (staff), Ursula Lawson (staff), Rhayne Vermette, Damien Ferland, Cameron Courchene, Crystal Greene

### NSI Online Short Film Festival

Screens Canadian short films year-round. Awards are presented four times a year: \$1,250 A&E Short Filmmakers Award, \$2,000 Shaw Media Fearless Female Director Award and \$750 Bite Comedy Award.

### nsi-canada.ca

NSI's website continues to grow as a popular source of information, advice and celebration of the film, television and digital media industries. NSI staff post content to the website daily.



This past year many of our alumni have received accolades and carved exciting new paths for themselves. NSI has been there along the way, cheering them on by celebrating their successes and reconnecting wherever we can. Here are a few examples. Find more at [nsi-canada.ca/alumni](http://nsi-canada.ca/alumni)

**1 Craig David Wallace** (NSI Totally Television, with NSI CEO John Gill) won the inaugural Bell Media National Fellowship Award of Distinction at the Banff World Media Festival | **2 Dion Telesky** (NSI New Voices, NSI Drama Prize) won the Global Audience Choice Award for best Manitoba short film for his film, *The Floor* at the Gimli Film Festival | **3** NSI New Voices 2013 poster featuring **Melanie Nepinak Hadley** | **4 Marie Clements'** (FASP, NSI Storytellers) short film, *Pilgrims*, had its world premiere at Toronto International Film Festival 2013 | **5 Karen Lam** (NSI Totally Television, NSI Drama Prize) wrapped shooting on her feature film, *Evangeline* | **6 Sean Garrity's** (NSI Features First) feature film *My Awkward Sexual Adventure* was distributed in 24 countries, translated into 15 different languages, and has official remakes slated for France, Lithuania and South Korea | **7** NSI staff celebrating with **Ashley Hirt** (NSI New Voices) for her Winnipeg Arts Council Award nomination. L-R: John Gill, Ashley Hirt, Ursula Lawson, Lauren MacDiarmid, David Pollock | **8 Will Pascoe** (NSI Features First) is a writer and co-producer on the acclaimed Space/BBC America series, *Orphan Black* | **9 Kyle Bornais, Chris Charney and John Barnard** (NSI Features First) wrapped production on *The Illegal Eater*, a series for Travel + Escape | **10 Less Than Kind** (developed through NSI Totally Television by **Chris Sheasgreen** and **Marvin Kaye**) won best comedy at the inaugural Canadian Screen Awards | **Merit Jensen Carr** (NSI Global Marketing) received the Don Haig Award at the Hot Docs Canadian International Documentary Festival.

### What they've said about NSI

"Having the support of the NSI's Features First course was essential in elevating *I Declare War* to the point where it could attract the attention of a production company and ultimately get made. I'm a big advocate and frequently recommend the course to filmmakers who want to take their script to the next level!"

**Jason Lapeyre**, writer, co-director, *I Declare War*

"To start the course with the network executives giving us insight into what they are looking for in a series producer and where their networks are going regarding programming was invaluable."

**Ann Whiteway**, NSI Lifestyle & Reality Series Producer participant  
*Cellar Door, Chef Michael's Kitchen*

"The support and training I received in NSI Features First and NSI Drama Prize have been invaluable to my professional development. I love NSI!"

**Alyson Richards**, Edyson Entertainment

"Finally a development fund that sees a project all the way through from concept to finished script! A bold and visionary move by Movie Central and NSI."

**Thomas Michael**, 2012 Movie Central Script to Screen recipient



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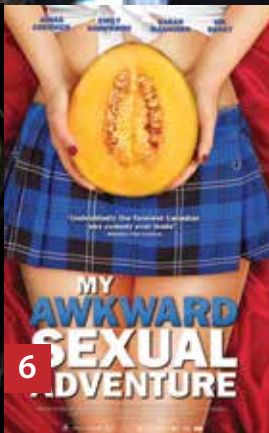
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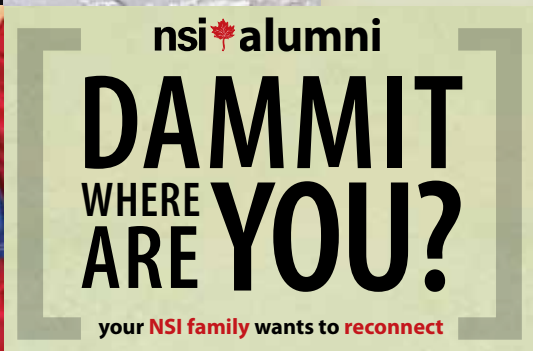
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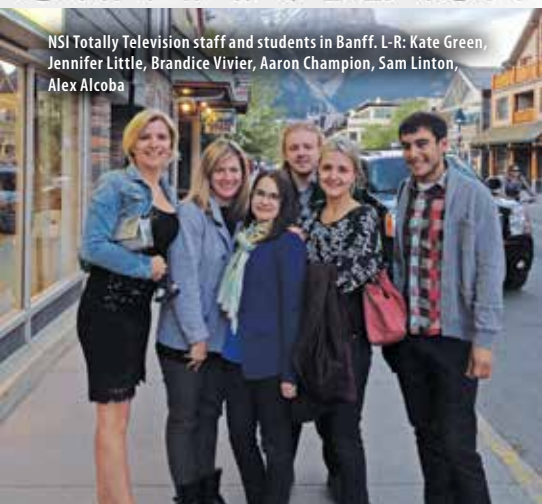
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NSI Totally Television staff and students in Banff. L-R: Kate Green, Jennifer Little, Brandice Vivier, Aaron Champion, Sam Linton, Alex Alcoba



Photos: Ian McCausland, Bryan McBurney, Jalani Morgan, George Pimental/Courtesy of ACCT, Bite



NSI's Elise Swerhone with grads Alyson Richards and Pat Mills

## To the Directors of National Screen Institute–Canada:

We have audited the accompanying financial statements of National Screen Institute–Canada, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012 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.

### Auditors' 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 auditors' 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Screen Institute – Canada as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations, changes in net assets and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.



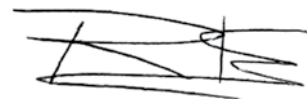
Chartered Accountants  
Winnipeg, Manitoba  
June 20, 2013

# Statement of Financial Position

As at March 31, 2013

	2013	2012	April 1 2011
<b>Assets</b>			
<b>Current</b>			
Cash (NOTE 4)	56,637	42,142	261,392
Accounts receivable (NOTE 5)	233,367	323,507	401,901
Investments (NOTE 6)	575,966	181,506	100,854
Prepaid expenses	38,965	30,644	29,104
	904,935	577,799	793,251
<b>Capital assets (NOTE 7)</b>	33,087	24,644	36,235
<b>Restricted funds (NOTE 8)</b>	197,048	198,304	275,000
	1,135,070	800,747	1,104,486
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accruals	292,227	121,557	113,371
Deferred contributions (NOTE 9)	612,707	456,242	588,774
	904,934	577,799	702,145
<b>Net Assets</b>			
<b>Invested in capital assets</b>	33,087	24,644	36,235
<b>Restricted (NOTE 8)</b>	197,049	198,304	275,000
<b>Unrestricted</b>	-	-	91,106
	230,136	222,948	402,341
	1,135,070	800,747	1,104,486

Approved on behalf of the Board



**Raja Khanna** Co-Chair, NSI Board of Directors  
CEO, Television & Digital, Blue Ant Media



**Marlene Kendall**  
Finance Chair, NSI Board of Directors  
Associate Director Audit & Risk Management  
MANITOBA LOTTERIES CORPORATION

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

# Statement of Operations

For the year ended March 31, 2013

	2013	2012		2013	2012
<b>Revenues</b>			<b>Expenses</b>		
Telefilm	206,885	335,075	Administration	244,776	281,005
Provincial government	251,700	251,700	Program delivery	1,183,864	1,255,878
Provincial agencies	57,000	64,000		1,428,640	1,536,883
Municipal agencies	30,000	35,000			
Private sector	789,611	623,316	<b>Consumption of goods and services</b>	2,750	350
Foundations and trusts	3,333	3,425		1,431,390	1,537,233
Project revenue	94,095	41,018			
Interest	3,204	3,956			
	1,435,828	1,357,490	<b>Excess (deficiency) of revenues over expenses</b>	7,188	(179,393)
<b>Contributions of goods and services</b>	2,750	350			
	1,438,578	1,357,840			

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

# Statement of Changes in Net Assets

For the year ended March 31, 2013

	Invested in Capital Assets	Restricted	Unrestricted	2013	2012
Net assets, beginning of year	24,644	198,304	-	222,948	402,341
Excess (deficiency) of revenues over expenses	-	-	7,188	7,188	(179,393)
Transfers	-	(1,255)	1,255	-	-
Invested in capital assets	20,685	-	(20,685)	-	-
Amortization	(12,242)	-	12,242	-	-
<b>Net assets, end of year</b>	33,087	197,049	-	230,136	222,948

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

# Statement of Cash flows

For the year ended March 31, 2013

	2013	2012
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenues over expenses	7,188	(179,393)
Amortization	12,242	14,788
	19,430	(164,605)
Changes in working capital accounts		
Accounts receivable	90,140	78,394
Prepaid expenses	(8,321)	(1,540)
Accounts payable and accruals	170,670	8,186
Deferred contributions	156,465	(132,532)
	428,384	(212,097)
<b>Investing</b>		
Advances of restricted funds	1,256	76,696
Purchase of capital assets	(20,685)	(3,197)
	(19,429)	73,499
<b>Increase (decrease) in cash resources</b>	408,955	(138,598)
<b>Cash resources, beginning of year</b>	223,648	362,246
<b>Cash resources, end of year</b>	632,603	223,648
<b>Cash resources are composed of:</b>		
Cash	56,637	42,142
Investments	575,966	181,506
	632,603	223,648

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

For the year ended March 31, 2013

## 1. Nature of operations

The National Screen Institute – Canada (“NSI”) was incorporated on April 7, 1986, under Part II of the Canada Corporations Act as a corporation without share capital. NSI’s Vision Statement: “NSI is the leading national centre of excellence in the training of the finest content creators for Canada’s film, television and interactive media sectors.”

NSI’s Mission Statement: “NSI is the leader in developing the careers and projects of Canadian writers, producers and directors by delivering professional, market-driven and innovative training that gets results.” NSI has its head office in Winnipeg, Manitoba.

## 2. Impact of adopting accounting standards for not-for-profit organizations

These are NSI’s first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012, and the opening ASNPO statement of financial position as at April 1, 2011 (NSI’s date of transition to ASNPO).

In preparing these financial statements, NSI has elected to apply no transitional provisions permitted by CICA 1501 *First time adoption by not-for-profit organizations* at the date of transition to ASNPO.

The transition to ASNPO has not affected the statement of financial position, statement of operations or statement of cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

## 3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reporting period.

Accounts receivable are stated after evaluation as to their collectability. Provision is made for amortization of capital assets based on an estimate of their useful lives. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in income in the periods in which they become known.

### Capital assets

Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment	20 %
Computer software	20 %
Furniture and fixtures	12.5 %
Office equipment	20 %
Leasehold improvements	20 %
Program equipment	20 %

### Revenue recognition

NSI follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year when the related expenses is incurred or as receivable if the amount to be received can be reasonably estimated and the collection is reasonably assured. Unrestricted contributions are recognized when received or the amount to be received can be reasonably estimated and the collection is reasonably assured.

### Contribution of goods and services

NSI records contributions of donated goods and services as both revenue and expenses at estimated fair market value of advertising, travel, and production and technical expense.

### Income taxes

NSI is a not for profit charitable organization registered under the Income Tax Act, and as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

### Long-lived assets

Long-lived assets consist of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

NSI performs impairment testing on long lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when discounted future cash flows from its use and disposal are less than the asset’s carrying amount. Impairment is measured as the amount by which the asset’s carrying value exceeds its fair value. Any impairment is included in operations for the year.

For the year ended March 31, 2013

### 3. Significant accounting policies (Continued)

#### Financial instruments

NSI recognizes its financial instruments when NSI becomes party to the contractual provisions of the financial instrument.

All financial instruments are initially recorded at their fair value.

NSI subsequently measures investments in equity instruments quoted in an active market at fair market value. Fair value is determined by published prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

#### 4. Cash

Cash balances are maintained in a monthly savings account with tiered interest rates ranging from 0.22% to 0.89%. (2012 -0.21% to 0.88%)

### 5. Accounts receivable

	2013	2012
Trades receivable	226,213	315,033
GST receivable	7,154	8,474
	233,367	323,507

### 6. Investments

Investments are held in a money market mutual fund reported at fair market value. Fair market value is equal to cost plus accrued interest to date. The rate of interest earned is floating based on the mutual fund performance.

# Notes to the Financial Statements

For the year ended March 31, 2013

## 7. Capital assets

	Cost	Accumulated amortization	2013 Net book value
Computer equipment	55,328	37,004	18,324
Computer software	10,633	7,253	3,380
Furniture and fixtures	42,838	35,099	7,739
Office equipment	42,417	38,773	3,644
Leasehold improvements	12,807	12,807	-
Program equipment	11,725	11,725	-
	<u>175,748</u>	<u>142,661</u>	<u>33,087</u>

	Cost	Accumulated amortization	2013 Net book value
Computer equipment	38,717	33,076	5,641
Computer software	7,276	6,707	569
Furniture and fixtures	42,838	30,301	12,537
Office equipment	41,699	35,802	5,897
Leasehold improvements	12,807	12,807	-
Program equipment	11,725	11,725	-
	<u>155,062</u>	<u>130,418</u>	<u>24,644</u>

## 8. Restricted net assets

Cash of \$197,048 (2012—198,304) remains internally restricted by NSI's Board of Directors to provide for the estimated costs in the event of winding up the operations of NSI.

## 9. Deferred contributions

	2013	2012
Administration	13,341	19,999
Aboriginal Documentary	147,575	-
Aboriginal Initiatives	-	1,285
Drama Prize	64,236	74,908
Featuring Aboriginal Stories Program	-	5,000
Features First	156,318	119,123
Industry Centre	35,000	35,000
New Voices	42,781	46,668
Script to Screen	38,201	-
Short Film Festival	52,255	66,505
Totally Television	63,000	87,754
	<u>612,707</u>	<u>456,242</u>

For the year ended March 31, 2013

## 10. Commitments

NSI has negotiated a \$275,000 credit facility with RBC available at the borrower's option, a \$75,000 corporate Visa account for miscellaneous travel and other expenses, and a \$200,000 demand operating and/or overdraft loan secured by accounts receivable.

Interest on amounts due are payable at prime plus 1.25%. Security is a general security agreement registered in Manitoba.

Notwithstanding compliance with covenants of the credit facility, borrowings are repayable on demand.

NSI entered into a three-year office lease for 4,056 square feet at 400-141 Bannatyne Avenue which commenced January 2012. Minimum annual rent is \$77,364.

NSI entered into a lease agreement for office equipment on January 1, 2011. Minimum annual payments are \$3,104.

## 11. Financial instruments

NSI as part of its operations carries a number of financial instruments. It is management's opinion that the NSI is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.


### Credit concentration

Financial instruments that potentially subject NSI to concentrations of credit risk consist mainly of accounts receivable from private funders and government bodies. At March 31, 2013, NSI had 79% (2012—89%) in accounts receivable from two (2012—two) sources. These amounts are considered collectible.

## 12. Economic dependence

A major portion of NSI's revenue is derived from donations and funding grants. As a result, any reduction in funding may affect the NSI's ability to continue future operations.

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