

# MANITOBA FILM & SOUND ANNUAL REPORT

Manitoba   
FILM & SOUND

2005  
2006





1  
NIAGARA  
MOTEL

2  
LUCID

3  
CAPOTE

4  
SHALL WE  
DANCE?



**MANITOBA**  
Film and Television



## Letter of Transmittal

July 31, 2006

Honourable Eric Robinson  
Minister of Culture, Heritage  
and Tourism  
Room 118, Legislative Building  
450 Broadway  
Winnipeg, Manitoba  
R3C 0V8

Dear Minister Robinson:

In accordance with Section 16 of The Manitoba Film and Sound Recording Development Corporation Act, I have the honour to present the Annual Report of the Manitoba Film and Sound Recording Development Corporation for the fiscal year ended March 31, 2006.

Respectfully submitted,



Cheryl Barker  
CHAIRPERSON

Manitoba 

FILM & SOUND

# MESSAGE FROM THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

On behalf of the Manitoba Film & Sound Recording Development Corporation (MANITOBA FILM & SOUND) and the Board of Directors, we are pleased to present the Annual Report for the fiscal year ending March 31, 2006.

This past year has been exciting and energetic, filled with milestones and success stories. From securing our province's first-ever prime time drama series, to coordinating a record number of location requests, to increased activity in the Sound Recording Programs department, **MANITOBA FILM & SOUND** has demonstrated its ability to be a successful competitor in the film and sound recording industries. Coming off one of the busiest and most successful years in 2004/2005, **MANITOBA FILM & SOUND** carried over that momentum to build on those achievements in 2005/2006.

Over the past year, and with the ongoing support of the Government of Manitoba, **MANITOBA FILM & SOUND** has succeeded in fulfilling its mandate to nurture, develop, promote and market Manitoba's film and sound recording industries. Through the administration of the film and sound recording programs, the Manitoba Film and Video Production Tax Credit, industry sponsorships and the continued support in various forms of Manitoba artists, companies and associations, **MANITOBA FILM & SOUND** remains dedicated to the development of our province's film and sound recording industries in order to benefit all Manitobans through economic and cultural growth.

Some highlights of 2005/2006 in which **MANITOBA FILM & SOUND** played a vital role were:

Manitoba became home to its first prime time drama series, *Falcon Beach*, which is co-produced by Manitoba company Original Pictures and Ontario's Insight Productions. *Falcon Beach* aired its first 13-episode season on Global Television and was subsequently renewed for a second season.

At the 2005 Western Canadian Music Awards, Manitoban artists were honoured with double the number of awards received last year, as 12 artists and companies came away as winners. Among the winners was Nathan, supported by **MANITOBA FILM & SOUND**, taking home the awards for Outstanding Songwriter of the Year and Video of the Year.

The made-in-Manitoba feature *CAPOTE*, co-produced with Infinity Media and Manitoban company Eagle Vision Inc., secured five Oscar nominations and an Oscar win for lead actor Philip Seymour Hoffman among many other successes and critical acclaim.



**MANITOBA FILM & SOUND**'s locations department hosted 54 production personnel for 20 different productions who visited Manitoba to scout the province's impressive services and locations. This resulted in one of the busiest winters for offshore production, with four features, *The Lookout*, *The Good Life*, *Blue State* and *You Kill Me*, all in prep or filming during the months of January through to March.

The accolades bestowed upon projects supported by **MANITOBA FILM & SOUND** are a testament to the dedication and passion possessed by Manitoba's artists and others who work in the cultural industry. From the impressive showings at festivals around the world for Manitoba-made films, such as *The Saddest Music in the World* and *Seven Times Lucky*, to Manitoban artists receiving 21 nominations in 23 categories at the Canadian Aboriginal Music Awards, these achievements and others demonstrate the drive of Manitoban artists. Those who contribute on a daily basis to the success of the Corporation, **MANITOBA FILM & SOUND** employees, bring to work unparalleled enthusiasm, commitment and teamwork. We sincerely appreciate their talent and hard work and we thank them for their endless effort.

We would like to take this opportunity to acknowledge the support of **MANITOBA FILM & SOUND**'s Board of Directors for their continued guidance and commitment over the past year. The **MANITOBA FILM & SOUND** Board is as diverse as Manitoba's arts and cultural industries, with board members representing Manitoba's Aboriginal, Francophone and Métis communities and possessing skills and backgrounds in education, finance, fundraising, music and filmmaking. We acknowledge and thank departing board member Cor Godri for his contributions during his appointment and we extend a warm welcome to new member Gerry Atwell.

Furthermore, **MANITOBA FILM & SOUND** wishes to express our appreciation to the Government of Manitoba for their support, the Departments of Culture, Heritage and Tourism and Industry, Economic Development and Mines for continuing to invest in the growth and development of Manitoba's cultural industries.

In closing, **MANITOBA FILM & SOUND** thanks all the talented musicians, filmmakers, writers, producers and craftspeople who work in the film and sound recording industries. It is your creativity, passion and unwavering motivation that are the foundations of the success experienced by Manitoba's continually thriving cultural industry.



Five Oscar Nominations

## THE CORPORATION

The Manitoba Film & Sound Recording Development Corporation (MANITOBA FILM & SOUND) is a statutory corporation of government proclaimed under *The Manitoba Film and Sound Recording Development Corporation Act*. Funded by the Province of Manitoba, the management of MANITOBA FILM & SOUND reports directly to the Board of Directors appointed by the Lieutenant Governor.

MANITOBA FILM & SOUND's mission is to promote Manitoba's film and sound recording industries at home and to the world, by:

Developing new talent, industry skills,

Nurturing new and existing talent to higher levels, and

Communicating and marketing to people at home and throughout the world the talent and skill levels that are here in Manitoba.

## Board of Directors

The activities of MANITOBA FILM & SOUND are monitored by the Board of Directors, which includes:

<b>Cheryl Barker</b>	CHAIRPERSON
<b>Lisa Meeches</b>	VICE-CHAIR
<b>Heather Bishop</b>	CHAIR, FINANCE AND PLANNING COMMITTEE
<b>David Dandeneau</b>	CHAIR, PROGRAMS COMMITTEE
<b>Alana Langelotz</b>	
<b>Léo Dufault</b>	
<b>Joy Keeper</b>	
<b>Ric Paquette</b>	
<b>Gerry Atwell</b>	(from November 30, 2005)
<b>Cor Godri</b>	(to November 19, 2005)

## Personnel

The Corporation is administered by the Chief Executive Officer and General Manager, who reports directly to the Board of Directors.

<b>Carole Vivier</b>	CHIEF EXECUTIVE OFFICER/GENERAL MANAGER AND FILM COMMISSIONER
<b>Monique Ledohowski</b>	MANAGER, FINANCE AND OPERATIONS
<b>Angie Glesby</b>	MANAGER, FILM AND INTERACTIVE MEDIA PROGRAMS (to December, 2005)
<b>Louise O'Brien-Moran</b>	MANAGER, FILM PRODUCTION
<b>Kevin Walters</b>	MANAGER, SOUND RECORDING PROGRAMS
<b>Danielle Jubinville</b>	SENIOR FILMS PROGRAM ANALYST
<b>Sebastien Nasse</b>	SENIOR TAX CREDIT ANALYST
<b>Mark Glucki</b>	LOCATIONS COORDINATOR
<b>Anna Walker</b>	PROGRAMS ADMINISTRATIVE ASSISTANT
<b>Heather Neale</b>	PROGRAMS ADMINISTRATIVE ASSISTANT
<b>Maria Cefali</b>	COMMUNICATIONS & CORPORATE AFFAIRS COORDINATOR (to March, 2006)
<b>Peggy Romas</b>	ADMINISTRATIVE ASSISTANT (to January 2006)
<b>Bridget Marten</b>	ADMINISTRATIVE ASSISTANT

Annual Report assembled by:

<b>Alexis Jones</b>	COMMUNICATIONS & CORPORATE AFFAIRS COORDINATOR (appointed May 2006)
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# 2005 - 2006 YEAR IN REVIEW

**MANITOBA FILM & SOUND's** objectives are to create and stimulate employment and investment in Manitoba by developing and promoting Manitoba companies producing, distributing, and marketing film, television, video and sound recording projects, as well as to promote Manitoba as a film location to offshore production companies. **MANITOBA FILM & SOUND** is a member of the Association of Film Commissions International (AFCI).

**MANITOBA FILM & SOUND** views economic considerations as critical to fulfilling its cultural mandate.

To achieve the Corporation's objectives, **MANITOBA FILM & SOUND** consults and works closely with industry associations and representatives, including the Manitoba Motion Picture Industry Association (MMPIA); the Manitoba Audio Recording Industry Association (MARIA); the Winnipeg Film Group (WFG); Film Training Manitoba (FTM); the National Screen Institute (NSI); the City of Winnipeg and local Unions and Guilds.

The following is an overview of some of **MANITOBA FILM & SOUND's** initiatives during the 2006 fiscal year.

## Funding of Manitoba Productions and Sound Recording Projects

In fiscal year 2006, **MANITOBA FILM & SOUND** invested in **20 television and feature film projects**, an increase of seven over the 13 projects in 2004/2005. Approved projects were funded through the Market Driven Television Production Financing Program and the Market Driven Feature Film Production Program, which provide equity investments to eligible projects produced or co-produced by Manitoba production companies.

**Production activity in Manitoba reached a record high \$124.6 million in fiscal year 2006.** This increase can be directly attributed to **MANITOBA FILM & SOUND's** equity funding as well as the Manitoba Film and Video Production Tax Credit. Investments in television and feature film productions reached a total of \$1.48 million, supporting over \$35 million in production budgets for fiscal year 2006. These commitments leveraged over \$12.7 million dollars in federal funding and \$14.9 million in other outside funding into Manitoba. Thirty-nine per cent of the total funds allocated to television projects went to four Aboriginal, three Francophone and two Métis projects.

According to the Economic Impact Study recently completed by the Manitoba Audio Recording Industry Association (MARIA), the Manitoba music industry generated more than **\$100 million worth of economic activity in the province in 2004.** **MANITOBA FILM & SOUND** contributed to this growth through the doubling of support given to the industry in

2003/2004 and continued to fund at those levels in 2005/2006. In fiscal year 2006, **MANITOBA FILM & SOUND** provided \$177,620 in funding to 26 sound recording production projects. Over the past three years this support has paid dividends as Manitoba artists are achieving tremendous success on national and international levels and the local independent label sector continues to grow with vitality.

## Community Outreach Initiatives

With the aim of achieving **MANITOBA FILM & SOUND's** mission to communicate and market the Corporation's mandate and objectives, the Corporation participated in a variety of community outreach initiatives in fiscal year 2006. Among these initiatives, **MANITOBA FILM & SOUND** hosted program information sessions, participated in panel discussions, including panels at the Independent Feature Project in New York and Strategic Partners in Halifax, and accepted invitations to speak to various organizations such as New York University.

## Industry Support

**MANITOBA FILM & SOUND** continues to support industry organizations in order to develop the business skills and talents of developing and established filmmakers and sound recording professionals. Among the organizations that receive industry support from **MANITOBA FILM & SOUND** are the **Winnipeg Film Group**, the **National Screen Institute**, as well as **MMPIA** and **MARIA** through contributions to the **Manitoba Music and Motion Pictures Development Project**, known as the M3P program. The M3P program supports the market development activities of Manitoba's film and sound recording artists and companies.

## Sponsorships

**MANITOBA FILM & SOUND** recognizes the importance of supporting Manitoba's motion picture and music organizations through sponsorship/partnership opportunities, which in return support the Corporation's mission to develop, nurture, communicate and market the film and sound industries.

This year, **MANITOBA FILM & SOUND** provided sponsorship/partnership support to several national and international industry events including the **NSI FilmExchange Film Festival**, the **Genie and Gemini Awards**, the **Canadian Aboriginal Music Awards** and as one of many partners in the **Canadian Pavillion** at the Cannes Film Festival. **MANITOBA FILM & SOUND** continues to support local events such as the **Blizzard Awards**, the **Jazz Winnipeg Festival**, **Le festival des vidéastes du Manitoba** and the **Winnipeg Aboriginal Film and Video Festival**, which for the first time added an awards show to its festival line-up that **MANITOBA FILM & SOUND** was pleased to be a part of.

## First Stories

In partnership with the **National Film Board**, **CBC Television-Manitoba** and **Telefilm Canada**, **MANITOBA FILM & SOUND** contributed to the funding of **First Stories** - an intense week-long documentary workshop offered to fifteen emerging Aboriginal and Métis filmmakers from across Manitoba. The participating filmmakers received training in research, proposal and narration writing, cinematography, directing and all aspects of post-production. Once the workshop was completed, four filmmakers, Ervin Chartrand, Shannon Letandre, Darryl Nepinak and Lorne Olson, were invited to produce an eight to ten minute social issue documentary. All four films were screened during the NSI FilmExchange Film Festival.

Photo: Thomas Fride



Writer/Director Gary Yates, Cheryl Barker (Chair), Carole Vivier and Liz Jarvis (Buffalo Gal Pictures) celebrate a win for *Seven Times Lucky* at The Blizzard Awards

## 2006 Blizzard Awards

The **Blizzard Awards** is a bi-annual event put on by MMPIA with support from **MANITOBA FILM & SOUND**, whose purpose is to recognize and celebrate excellence in Manitoba film and video production. Over 500 entries were submitted, an increase over the 300 entries received for the last Blizzard Awards in 2003. The increase in entries reflects the growth of production in the province, which can be attributed to enhancements made to the Manitoba Film & Video Production Tax Credit, the increased activity of local producers and the skill level of Manitoba crews. In total, 97 projects received nominations.

## 2006 Genie Awards

After being selected to screen at numerous film festivals from Toronto to Rome to Shanghai, ***Seven Times Lucky* received five Genie Award nominations**. The film, which was supported through the Manitoba equity investment program and the Manitoba Film and Video Production Tax Credit, took home the award for **Achievement in Music - Original Song for "When Wintertime"**, written by Winnipeggers Glenn Buhr and Margaret Sweatman.

## 2005 Gemini Awards

Manitoba's television industry was recognized with ten Gemini nominations in 2005. ***A Bear Named Winnie* received four nominations; *Except the Dying* also received four nominations**, including a nod for Best TV Movie; ***In the Dark*** and the documentary ***The True Intrepid* each received one nomination**. **MANITOBA FILM & SOUND** was pleased to support these highly-acclaimed productions through our Market Driven Television Production and Development Programs and the Manitoba Film and Video Production Tax Credit.

Photo: Charles Shillady



Carole Vivier, artist Patrick Ross, Dani Jubinville (MFS), Angie Glesby (Manager, Film Programs) and filmmaker Ervin Chartrand at the premiere of his *First Stories* documentary

## FILM AND TELEVISION INDUSTRY

Fiscal year 2006 was a banner year for Manitoba's film and television industry. In addition to the film and television milestones reached in 2006, many Manitoba productions and artists were recognized at awards shows and festivals across Canada and throughout the world.

## 2005 - 2006 YEAR IN REVIEW

### More Film & Television Success

Manitoba became home to its first-ever prime time dramatic television series, **Falcon Beach**, co-produced by Manitoba's Original Pictures and its Ontario partner, Insight Productions. The 13-episode series, which was renewed for a second season, is seen across Canada on Global Television and is also aired to American viewers on the ABC Family Channel. Filmed over three months in various locations around the province, including Winnipeg Beach and Netley Creek, **Falcon Beach** has had a positive impact on the growth of Manitoba's film and television infrastructure.

Another major accomplishment in 2006 was the **five Oscar nominations, including a nod for Best Picture, for CAPOTE**, co-produced by Manitoba production company Eagle Vision Inc. along with Infinity Media of British Columbia. **Star Philip Seymour Hoffman took home the Best Actor Academy Award** for his portrayal of Truman Capote, a performance which also won him a **Golden Globe** and a **Screen Actors Guild Award** in the critically acclaimed film.

Winnipeg's Exchange District was brought back in time as it was the backdrop for a week of filming for the Brad Pitt movie **The Assassination of Jesse James by the Coward Robert Ford** due to be released in September 2006. Other high-profile features to shoot in Manitoba were, among others, **Full of It, Who Loves the Sun, The Plague, The Lookout** and **The Good Life**, as well as Guy Maddin's feature length documentary **My Winnipeg**.

### On the Road With Film

At the **Toronto International Film Festival**, MANITOBA FILM & SOUND along with MMPIA hosted a party in recognition of the four Manitoba films premiering at the festival: **Lucid, CAPOTE, My Dad is 100 Years Old** and **Dumb Angel**.

In addition to attending other international festivals such as the **Independent Feature Project** (IFP) in New York and the **Cannes Film Festival**, MANITOBA FILM & SOUND participated in the government-led **Mission to India**. CEO Carole Vivier joined **Premier Gary Doer** and approximately 50 businesses on the trade mission and met with Indian producers, including two of the largest production companies in Mumbai, in order to increase awareness and interest in co-productions outside India.



*Seven Times Lucky* starring Jonas Chernick, Kevin Pollack, Liane Balducci received five Genie Award nominations



Starring in the movie *A Bear Called Winnie*: Jonathan Young, Michael Fassbender and Winnie received four Gemini Award nominations



*Falcon Beach* actress Allison Hossack with Minister Eric Robison on a visit to the set



Steve Byers & Jennifer Kydd, stars of *Falcon Beach*, enjoy themselves during a visit to the set hosted by MFS



Celebrating the theatrical release of *Capote*: Kyle Irving (Eagle Vision), Carole Vivier, William Vince (Infinity Media)





Carole Vivier and Premier Gary Doer (far right) meet with producers in India



Daren Jorgenson from the Jorgenson Group (centre) and Carole Vivier with members of the Bhatt family of filmmakers



Carole Vivier chats with Indian producers at the Manitoba reception in Mumbai

## SOUND RECORDING INDUSTRY

Many Manitoba musicians, groups and companies were recognized at awards shows across the country for their outstanding work in 2006.

### Western Canadian Music Awards

Manitoba doubled its number of winners over last year's awards as 12 Manitoba artists and companies took home awards at the 2005 Western Canadian Music Awards. Among the winners was Nathan, funded through MANITOBA FILM & SOUND's Sound Recording Programs. Nathan took home the awards for Outstanding Songwriter of the Year for their album *Jimson Weed* and Video of the Year for "Sunset Chaser" directed by Sean M. Turrel.



Photo: Peter Syos

Nathan

Other Manitoba winners were:

- **Burnt Project 1 - *Hometown***: Outstanding Aboriginal Recording
- **Ya Ketchose - *En Route***: Outstanding Francophone Recording
- **The Duhks - *The Duhks***: Outstanding Roots Recording
- **The Waking Eyes - *Video Sound***: Outstanding Album and Outstanding Rock Recording
- **Gilles Paquin**: Talent Buyer/Promoter of the Year
- **Paquin Entertainment**: Agency of the Year
- **Chris Burke-Gaffney**: Manager of the Year
- **Gilles Fournier (bassist)**: Musician of the Year
- **Private Ear Recording**: Recording Studio of the Year

# 2005 - 2006 YEAR IN REVIEW

## Canadian Country Music Awards

At the 2005 **Canadian Country Music Awards**, Manitoba's **Doc Walker** was nominated for **Group of the Year** and two of its musicians, **Mark Branconnier (drums)** and **Paul Yee (bass)**, were named to the **2005 All Star Band**. Manitoban **Amanda Wilkinson** was awarded the **Chevy Trucks Rising Star Award**.



Romi Mayes performs at the Canadian BBQ at SXSW

Album; **Hank Horton** won for **Best Country Album**; and **Lisa Meeches** and **Kyle Irving** won the **Best Aboriginal Television Program or Special** for "First Nation Invasion".

## Juno Awards

After Winnipeg successfully hosted the 2005 Junos, the awards show made its way out east to Halifax in 2006. Manitoban artists had eight nominations and Junos were awarded to **Burnt Project 1 for Aboriginal Recording of the Year**, **The Duhs for Roots and Traditional Album of the Year (Group)** and **Amanda Falk for Contemporary Christian/Gospel Album of the Year**. **MANITOBA FILM & SOUND** provided funding to these Juno winners through production and touring support for current and previous projects.

## On the Road With Music

**MANITOBA FILM & SOUND** and **MARIA** hosted showcases at the **South by Southwest (SXSW)** music conference in Austin, Texas. Six Manitoba bands and artists, one of the largest contingents to date, took to the stage in Austin. And for the eighth year in a row, **MANITOBA FILM & SOUND** hosted with **MARIA** and **NXNE** the annual **Canadian BBQ**, which was a huge success.

At **North by Northeast (NXNE)** in Toronto, 18 Manitoban acts were showcased, 14 of which were supported through Sound Recording Programs at **MANITOBA FILM & SOUND**. Along with **MARIA**, **MANITOBA FILM & SOUND** hosted a barbecue that featured Manitoba artist **Garfield Williams (Mood Ruff)**.

## More Sound Recording Success

**MANITOBA FILM & SOUND** introduced a proposed pilot program for out-of-province artists interested in recording in Manitoba. The program is designed to encourage production activity and business development in Manitoba's sound recording industry.

**Eleven Manitoba artists received nominations at the Indian Summer Music Awards**, held annually in conjunction with the **Indian Summer Festival (ISF)**, the largest Aboriginal music festival in North America which took place in Milwaukee, Wisconsin. Manitoba group **Eagle & Hawk** took home the honours for their album *The Red* in the **Alternative Rock Category**.



At the Canadian Aboriginal Music Awards: **Mike Benson** (Department of Culture, Heritage and Tourism), **Carole Vivier**, **David Dandeneau** (Board Member)

## Canadian Aboriginal Music Awards

**Lisa Meeches**, **MANITOBA FILM & SOUND**'s vice-chair, co-hosted the **Canadian Aboriginal Music Awards** in Toronto on November 25. Along with **Minister Eric Robinson**, **MANITOBA FILM & SOUND** hosted a Manitoba reception prior to the show to honour the Manitoban nominees. Manitoba had 21 nominations in 23 categories and among the eight winners were **Little Hawk** for their album *1492-1975* which took home the awards for **Best Folk Album** and **Best Album of the Year** and **Burnt Project 1** who was awarded **Best Group or Duo** for their album *Hometown*.

Other Manitoba winners were **Kimberly Dawn** and her song *Spirit of Our People* named **Best Song Single**; **Ryan D'aoust**, who was awarded the **Galaxy Rising Stars Award**, also took home the award for **Best Fiddle**



**Kevin Walters** (Manager, Sound Recording Programs), **Andy McLean** (NXNE), **Carole Vivier** and **Sam Beardman** (MARIA) at the Canadian BBQ at SXSW



Alana Langelotz (Board Member) and Hartney Mayor Bruce Evans in Hartney during shooting of *The Lookout*

## MANITOBA FILM COMMISSION AND LOCATIONS DEPARTMENT

As a member of the Association of Film Commissioners International (AFCI), **MANITOBA FILM & SOUND** is a full-service film commission that offers a broad range of location services including: script breakdown, budgeting, location scouting, government and industry liaison.

**MANITOBA FILM & SOUND** recognizes the importance of remaining competitive as location options around the world become easier and easier to access. **MANITOBA FILM & SOUND** continues to aggressively market Manitoba and these efforts have had an impressive impact as production levels and location inquiries continue to increase on an annual basis.

Achievements within the location department during 2006 can be measured by the sheer volume of location scout activity that transpired over the course of the year. Manitoba hosted **54 various offshore**

**production personnel** who were in town scouting for **20 different productions**. This scouting activity is a **25% increase over last year** and represents a **186% increase from four years ago**. As a result of this scouting activity, Manitoba was the backdrop for several guest productions this year including:

- *The Lookout* - Spyglass/Miramax
- *The Assassination of Jesse James by the Coward Robert Ford* - Warner Bros
- *sexLife* - HBO (pilot)
- *Category 7: The End of the World* - Von Zerneck Sertner Films
- *The Plague* - Armada & Sekret Agent
- *Haunting Sarah* - Von Zerneck Sertner Films
- *Population 436* - Pariah Entertainment
- *Full of It* - New Line Cinema



Downtown Winnipeg is transformed in a scene from *Category 7: The End of the World*

## INTERACTIVE MEDIA INDUSTRY

In fiscal year 2006 the **Interactive Digital Media Program** was transferred from **MANITOBA FILM & SOUND** to the Department of Energy, Science & Technology (EST). The move was made in order to better serve the needs of Manitoba's digital and new media producers and industry. Pending approval from Treasury Board, funds allocated to the Digital Media Program continued to flow from **MANITOBA FILM & SOUND** upon the direction and approval of the staff at EST. Program guidelines and deadlines will be set by EST for the new fiscal year.



Falcon Beach crew on location in Winnipeg Beach

Photo: Steve White

# TAX CREDIT

The **Manitoba Film and Video Production Tax Credit** was introduced in 1997 to provide an incentive to the private film and television production industry to create economic development and employment growth in the province. **Enhancements made in 2005 included a 10% increase to the base tax credit and the addition of a 5% Frequent Filming Bonus and a 5% Rural and Northern incentive.** In the past year, many eligible projects have taken advantage of the new Frequent Filming Bonus and several companies have qualified for the Rural and Northern Bonus, bringing production activity to Selkirk, Steinbach and Winnipeg Beach. Combined with the current 45% tax credit, qualifying productions may now access up to a 55% tax credit on eligible Manitoba labour expenses.

The Manitoba Tax Credit combined with **MANITOBA FILM & SOUND's** equity financing is essential to the growth of Manitoba's film and television industry. The Manitoba Tax Credit can also be credited for bolstering both co-production (Manitoba shared ownership and control) and foreign location shooting (non-Manitoba owned and controlled) activity in the province.

**FIGURE 1**

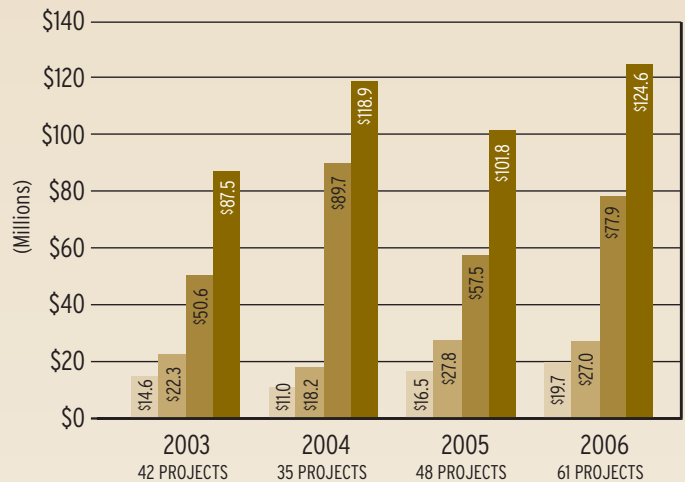
TYPE	NUMBER OF PROJECTS	PROJECTED FINAL PRODUCTION BUDGETS	PROJECTED TAX CREDIT	TAX CREDIT AS % OF BUDGET
Feature Films	15	\$53.3 million	\$5.1 million	10%
TV Series	8	\$44.9 million	\$5.6 million	12%
Movie of the Week, TV Specials	8	\$35.8 million	\$3.3 million	9%
Documentary/Doc.Series	55	\$25.0 million	\$4.4 million	18%
<b>TOTALS</b>	<b>86</b>	<b>\$159.0 million</b>	<b>\$18.4 million</b>	<b>11%</b>

A total of 86 applications (both Part A & B) were in various stages of processing during the 2006 fiscal year, representing approximately \$159 million worth of production activity and estimated tax credits of \$18 million.

# PRODUCTION ACTIVITY

## FILM & TELEVISION PRODUCTION ACTIVITY

As illustrated in **FIGURE 2**, film and television production activity in Manitoba reached a record breaking \$124.6 million. Increased activity occurred for both indigenous and foreign location productions while co-production activity held steady at the \$27 million dollar mark.

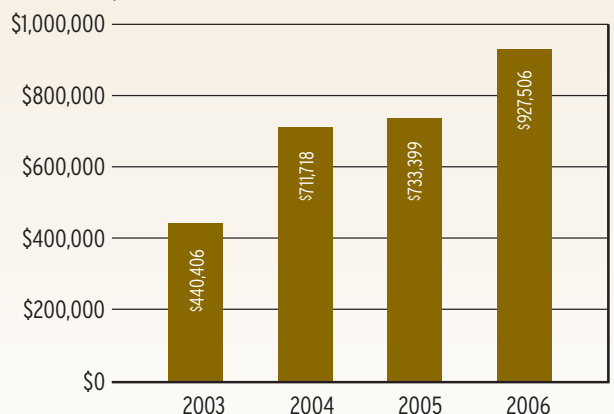


- Manitoba owned and controlled
- Manitoba share ownership and control
- Non-Manitoba owned and controlled
- Total production

Note: These figures represent production activity reported as at fiscal year ending March 31, 2006. Therefore, amounts reported from previous years may vary due to changes provided upon final reporting.

## SOUND PRODUCTION ACTIVITY

As reflected in **FIGURE 3**, production budgets from **MANITOBA FILM & SOUND** funded sound recording projects reached a record setting high of \$927,506 in fiscal year 2006.



Note: Activity levels are based on actuals/budgets as at fiscal year ending March 31, 2006. Therefore, amounts reported from previous years may vary due to changes provided upon final reporting.

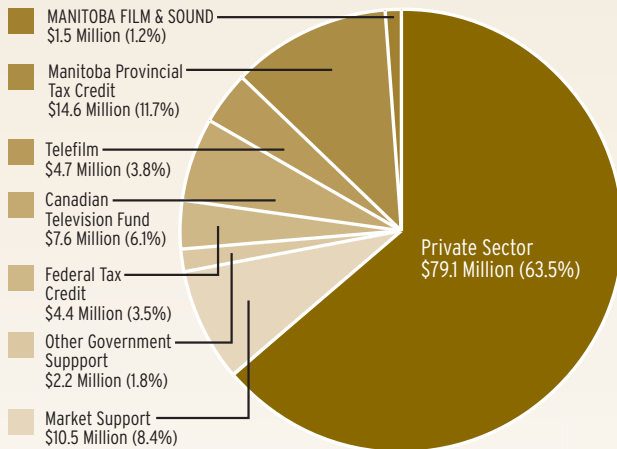
# OTHER DOLLARS LEVERED

## FILM

Financing of independent productions requires financial investment from several sources. **MANITOBA FILM & SOUND**'s equity commitment to a project will often trigger other investors to participate. Outside of **MANITOBA FILM & SOUND** and the Manitoba Provincial Tax Credit, other sources for production financing investments come from Telefilm Canada and the Canadian Television Fund; Market Support (Broadcaster licenses, Distribution Advances); Federal and other Government Support and Tax Credits, and Private Sector (i.e. production company investment, deferrals, corporate sponsors and private investments).

As **FIGURE 4** demonstrates, **with Manitoba's 12.9% equity financing and estimated tax credit support, \$124.6 million in indigenous, co-production and foreign production activity occurred in fiscal 2006.** This amount reflects \$108.5 million of investment from other sources. This is a clear indication that Manitoba's modest investment attracts millions of dollars of additional revenues into Manitoba's economy.

**FIGURE 4**

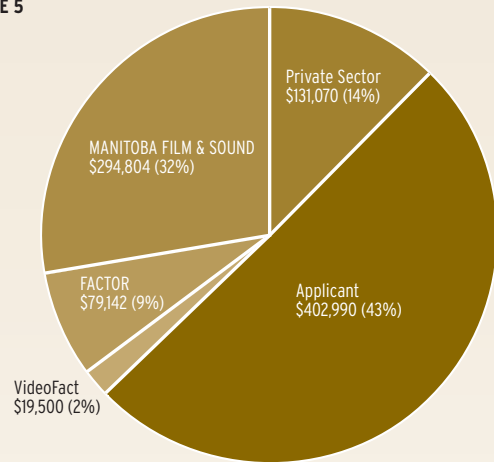


Source: Fiscal Year 2006 film production activity of \$124.6 million is compiled from data provided in equity and tax credit applications submitted to **MANITOBA FILM & SOUND** as at March 31, 2006.

## SOUND

Available funding from other sources for the Sound Recording Industry is limited (FACTOR, Video FACT, Canada Council) and therefore very competitive. **MANITOBA FILM & SOUND**'s investment is the key element of support to Manitoba's emerging and established musicians. The increase in production budgets of **MANITOBA FILM & SOUND** funded projects to \$927,506 can be attributed to an increased number of higher profile recordings from the likes of Steve Bell, the Wailin' Jennys, the Winnipeg Symphony Orchestra, Platinum Black and Little Hawk to name a few.

**FIGURE 5**



Source: Fiscal Year 2006 sound production activity of \$927,506 is compiled from data provided in CD, Demo and Music Video applications submitted to **MANITOBA FILM & SOUND** as at March 31, 2006.



# JURIES

The evaluation and adjudication of applications submitted to the Corporation by industry professionals and colleagues remains a central part of **MANITOBA FILM & SOUND's** program guidelines with respect to the Sound Recording, Demo Recording and Low Budget Feature Film Development Programs.

Jurors for Sound Recording Programs are drawn from all sectors of the provincial sound recording industry and include record label employees, radio station personnel, recording studio personnel, producers, engineers, musicians, songwriters, agents, talent managers, lawyers and publicists. Sound Recording proposals must be unanimously recommended for funding by a minimum of two juries.

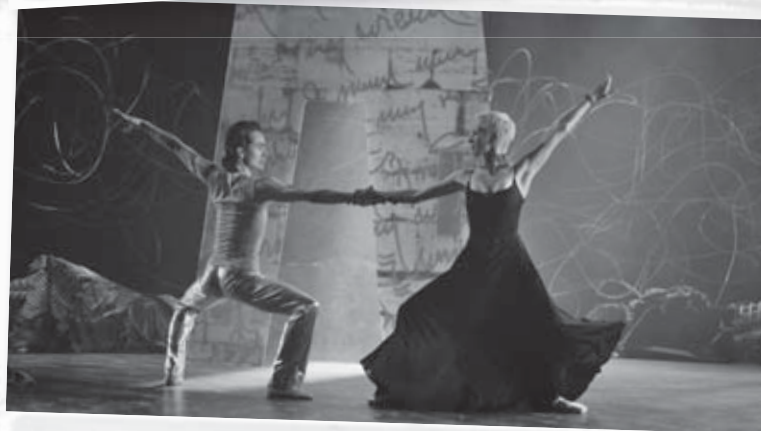
Film industry professionals are drawn from Manitoba and across Canada to adjudicate the Low Budget Feature Film Development applications.

**MANITOBA FILM & SOUND** thanks the following jurors who gave so generously of their time:

Aaron Schubert	Errol Ranville	Paul Nolin
Alan Greyeyes	Gary Yates	Rachel Stone
Alexis Kochan	Gerry Atwell	Ray Martin
Amelia Curran	Gerry Barrett	Ray St. Germain
André Clement	Ginette Lavack	Rich Rosschuk
Armit Singh	Glen Willows	Richard Grouette
Art Ladd	Grant Paley	Rick Fenton
Art Pearson	Howard Mandshein	Rick Roschuk
Brad Goodman	Ian Low	Rob Rousseau
Brad Pelman	Jack Shapiro	Rod Hussey
Chris Frayer	Jacques St. Goddard	Sam Baardman
Chris Lynch	James Creasey	Sara Stasiuk
Colin Lougheed	Jamie Hall	Scott Stewart
Daniel Iron	Jasmine	Shawn Sommers
Danny Schur	Jason Smith	Shirley Elias
Darcy Ataman	Joel Dixon	Stephan Thilueris
Dave McLeod	John Batiuk	Susan Israel
Dave Wheeler	John Kendle	Susan Krepert
Dave Wilson	John Marlow	Thomas Sparling
David Sherman	Lisa Stovin	Todd Jordan
Dawn Bourbonnais	Lloyd Peterson	Vince Fontaine
Denis Prieur	Lochlin Cross	Zane Zalis
Dominic Lloyd		



*Who Loves the Sun*, starring Molly Parker, Lukas Haas, Adam Scott



Royal Winnipeg Ballet dancers Johnny w. Chang and Tara Birtwhistle in *The Magic Flute*



Photo: Thomas Fritke

The cast of *Falcon Beach*: Melissa Elias, Ephraim Ellis, Jennifer Kydd, Steve Byers, Devon Weigel, Morgan Kelly

## Market Driven Television Production Financing Program and Market Driven Feature Film Production Program

The Film Production Financing Program assists in the production financing of fully developed feature film or television projects through non-interest equity investments and/or recoupable advances. The projects are reviewed based on their economic impact on Manitoba, and are awarded bonuses for Community Development, such as Aboriginal, Métis and Francophone production companies, working with key creative positions, such as Manitoba writers and directors, and lastly for shooting in the winter.

**During the 2006 fiscal year, 20 new applications were approved for a total investment of \$1,481,547.**

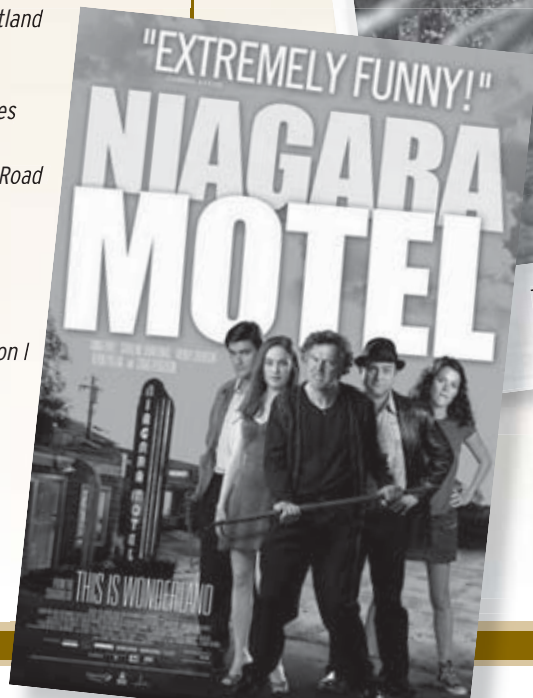
RECIPIENT	PROJECT
Tenor 20 Productions Inc.	<i>As Seen on TV! The K-Tel Story</i>
Just Another Indian Productions Inc.	<i>Mr. Soul (AKA Just Another Indian)</i>
5133921 Manitoba Inc.	<i>"Next!" A Series for Aboriginal Youth</i>
Summer Babe Productions Inc.	<i>Who Loves the Sun</i>
Cinefocus-Paquin Pictures Inc.	<i>Buffy Sainte-Marie: A Multi-Media Life</i>
5070768 Manitoba Inc.	<i>St. Laurent goes to Washington</i>
Les Productions Ivresse des Sommets Inc.	<i>L'Ivresse des sommets</i>
Tipi Tales Season 3 Inc.	<i>Tipi Tales - Season III</i>
5123461 Manitoba Inc.	<i>Sharing Circle Season 14</i>
5130557 Manitoba Inc.	<i>Manitoba Moments: Harvest In The Heartland</i> <i>Manitoba Moments: The Road to Victory</i>
Les Productions un homme de paroles Inc.	<i>Un Homme de paroles</i>
Word Without Inc.	<i>The Final Word: The Road to CanSpell</i>
Magic Flute Films Inc.	<i>The Magic Flute</i>
Buffalo Gal Pictures Inc.	<i>The Stone Angel</i>
Les Productions Rebus Inc.	<i>Rebus</i>
OP Beach I Inc.	<i>Falcon Beach - Season I</i>
Paddlewheel Productions Inc.	<i>My Winnipeg</i>
TGL Productions (Manitoba) Inc.	<i>The Good Life</i>
Blue State Inc.	<i>Blue State</i>

## Emerging Talent Matching Funds Program

This program is designed to support entry-level filmmakers who have received production funding awards through a competitive process from a recognized industry organization. This program encourages skills advancement and the development and application of standard industry practices for entry-level producers and directors.

**During the 2006 fiscal year, two applications were approved for a total investment of \$15,650.**

RECIPIENT	PROJECT
Dada World Data Productions Inc.	<i>The Plant Teacher</i>
Frozen Foot Productions	<i>A Place of Safety</i>



Todd (David Evans), Jones (Frank Adamson), Lintick (Miles Sumter) and extras in a scene from *Mr. Soul* (AKA *Just Another Indian*)

# FILM PROJECTS SUPPORTED IN FISCAL YEAR 2006

## Market Driven Feature Film Development Financing Program and Market Driven Television Development Financing Program

Eligible applicants receive financial assistance for the development of viable motion picture concepts into screenplays for Television and Theatrical Release. Financing under both these programs takes the form of a recoupable loan and is committed according to phases. Should the project qualify for production financing, the development loan could be converted into an equity investment.

**During the 2006 fiscal year, 19 applications were approved for a total investment of \$134,736.**

RECIPIENT	PROJECT
Buffalo Gal Pictures Inc.	<i>The Emancipation of Emily Blake</i> <i>Sex Lives of the Saints</i> <i>The Mysteries of Ice Fishing</i> <i>The Stone Angel</i>
Reel Effective Productions Ltd.	<i>When I Grow Too Old To Dream</i>
Original Pictures Inc.	<i>Highball</i> <i>Cricket</i> <i>Falcon Beach Season II</i> <i>The Snow Falcon</i>
4928149 Manitoba Inc.	<i>Leishman!</i>
Farpoint Films Inc.	<i>Gorilla Trap</i> <i>House Party</i>
5142385 Manitoba Inc.	<i>The Life and Work of Daphne Odjig</i>
julijette Inc.	<i>The Igloo</i>
MidCanada Entertainment	<i>Dinosaur Resurrection</i>
5236045 Manitoba	<i>Karen All The Time</i>
Hotel Babylon Productions Inc.	<i>Hotel Babylon</i>
Merit Motion Pictures Inc.	<i>Prairie Fire</i>
Boomtalk Musical Production Inc.	<i>Strike - POC Short Musical Film</i>

## Low Budget Feature Film Development Financing Program

The Low Budget Feature Film Development Financing Program provides eligible applicants with financial assistance for the development of low budget feature film projects. Funding decisions are based on a subjective assessment by an independent jury. Projects are assessed on script excellence, and creative and cinematic merits.

**During the 2006 fiscal year, two applications were approved for a total investment of \$7,466.**

RECIPIENT	PROJECT
Lockport Productions Inc.	<i>Trouble in Lockport</i>
Bedbugs Films Inc.	<i>Photograph at Full Moon Point</i>





## Access to Markets Program, Professional Marketing Fund Program and Professional Development Fund Program

The Access to Markets, Professional Marketing Fund and Professional Development Fund are programs of the Manitoba Music & Motion Pictures Development Project (M3P) and are administered by MMPIA and supported with program assistance from **MANITOBA FILM & SOUND**.

Access to Markets supports the market development activities of established and emerging Manitoba motion picture producers selected to attend national and international markets, co-production conferences, exchanges, immersions and a limited number of film festivals with the intention of finding broadcasters, distributors and partners for co-productions.

The Professional Marketing Fund provides support to independent production companies undertaking marketing strategies, including the production of print marketing materials, press kits, promotional DVDs and gala screenings.

The Professional Development Fund supports the professional development opportunities for film professionals attending conferences, workshops and other events.

**In fiscal year 2006, MANITOBA FILM & SOUND committed \$37,500 to the Access to Markets, Professional Marketing and Professional Development Fund Programs.**

### PROFESSIONAL DEVELOPMENT FUND

RECIPIENT	PROJECT
Aaron Floresco	The Art of Directing - SIFT 2005
Chris Angus	Santa Monica Seminar 2005 - ITN Distribution
Danishka Esterhazy	Directing - Canadian Film Centre 2005
Hannes Kivilaht	Praxis Screenwriting Competition - Fall 2005
Jamie Brown	Robert McKee Story Workshop
Jeremy Torrie	WIFT - T's 2005 Media Entrepreneur Incubator
Leo Dufault	WIFT - T's 2005 Media Entrepreneur Incubator
Leona Krahn	Filmmaking with a Purpose - SIFT 2005
Lynne Skromeda	Robert McKee Story Workshop
Michael Wintemute	WIFT - T's 2005 Media Entrepreneur Incubator
Rita Shelton Deverell	Women in The Director's Chair 2005/2006, The Banff Centre
Winston Moxam	The Art of Directing - SIFT 2005

### PROFESSIONAL MARKETING FUND

#### RECIPIENT

Dada World Data Productions  
julijette Inc.  
Val Klassen  
Lank/Beach Productions  
Vonnie Von Helmolts Films  
Sonia Films

#### ACCESS TO MARKETS

#### RECIPIENT

#### PROJECT

Louis Paquin (Les Productions Rivard)	MIPTV
Kim Todd (Original Pictures)	MIPTV, NATPE
Devan Towers (Original Pictures)	MIPTV
Marni Fullerton (Entheos Productions)	Show Canada
Liz Jarvis (Buffalo Gal Productions)	Cannes Film Market, Toronto International Film Festival, Strategic Partners at the Atlantic Film Festival, American Film Market
Barry Lank (Lank Beach Productions)	Hot Docs and the Toronto Documentary Forum, Banff World Television Festival, Doc Talk
Robert Sauvey (Ocular Productions)	Hot Docs and the Toronto Documentary Forum, Strategic Partners and IFP New York, Cinemart Rotterdam Film Festival
Shawn Watson (Ocular Productions)	Hot Docs and the Toronto Documentary Forum, Strategic Partners and IFP New York, Cinemart Rotterdam Film Festival
Jeff Newman (Numan Production Inc.)	Hot Docs and the Toronto Documentary Forum, Banff World Television Festival
Jamie Brown (Frantic Films)	Banff World Television Festival, Toronto International Film Festival, MIPCOM
Tanya Brunel (High Definition Pictures)	Banff World Television Festival
Kevin Dunn (MidCanada Entertainment)	Banff World Television Festival, MIPCOM
Juliette Hagopian (julijette inc.)	Banff World Television Festival, Toronto International Film Festival, Mannheim Meetings
Kyle Irving (Eagle Vision Inc.)	Banff World Television Festival
Lisa Meeches (Eagle Vision Inc.)	Banff World Television Festival
Russ Mitchell (Cygnum Films Inc.)	Banff World Television Festival
Ihor Procak (Lightning Films)	Banff World Television Festival
Lynne Skromeda (Frantic Films)	MIPCOM, Banff World Television Festival
Jeremy Torrie (High Definition Pictures)	Banff World Television Festival
Kyle Bornais (Farpoint Films)	Toronto International Film Festival
Charles Konowal (Kono Films Ltd.)	Toronto International Film Festival
Jack Clements (Buffalo Gal Pictures)	American Film Market
Nicholas Hirst (Original Pictures)	NATPE
Jeff Thiessen (Sunburst)	NATPE

# FILM PROJECTS SUPPORTED IN FISCAL YEAR 2006

## Access to Festivals Program

The Access to Festivals Program is a program of the Manitoba Music & Motion Pictures Development Project (M3P) and is administered by MMPIA and supported with program assistance from MANITOBA FILM & SOUND.

The Access to Festivals Program provides financial assistance to film and television directors and writers who have professional experience in the film and television industry and whose programs have been selected to screen at festivals that have significant industry recognition.

**During the 2006 fiscal year, 17 applications were approved.**

RECIPIENT	PROJECT
André Clement	Human Rights Nights / Cineteca di Bologna 2005, FICA - International Festival of Environmental Films 2005
Kyle Irving	Celtic Film & Television Festival 2005
Shelagh Carter	Montecatini Film and Video Festival
Gary Yates	Shanghai International Film Festival
Darryl Kinaschuk (Deco Dawson)	Toronto International Film Festival 2005, Vancouver International Film Festival 2005, Montreal Festival of New Media and New Cinema, Austin SXSW Film Festival, Ann Arbor Film Festival
Sean Garrity	TIFF, Atlantic Film Fest, Cinefest, Calgary International Film Festival, VIFF
Juliette Hagopian	Whistler International Film Festival
Gerry Atwell	Whistler International Film Festival
Winston Moxam	Whistler International Film Festival
James Sanders	Havana International Festival of New Latin American Media
Sean Garrity	Cinequest San Jose, Kingston Film Festival
Matthew Rankin	Rendez-vous du Cinema Quebecois
Vonnie Von Helmolt	Victoria International Film & Video Festival
Paula Kelly	Montreal International Festival of Films on Arts 2006

## Film Portfolio Investment Envelope Program (PIE)

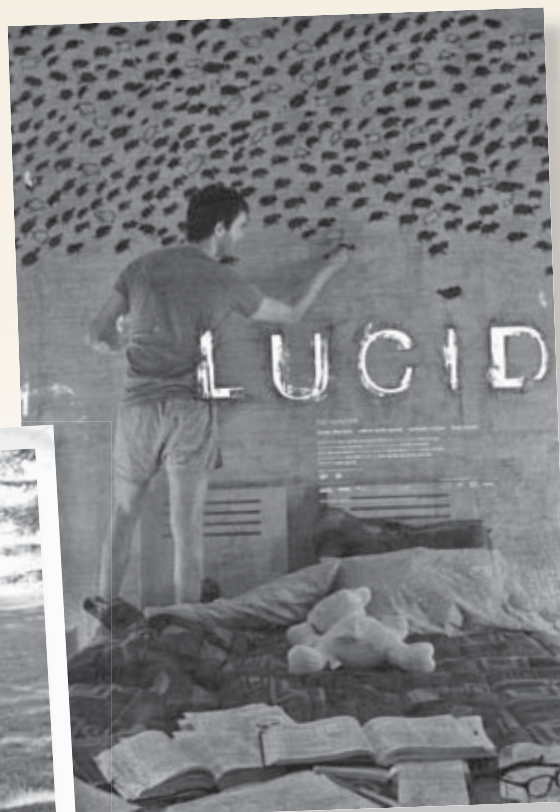
MANITOBA FILM & SOUND's Film Portfolio Investment Envelope (PIE) Program provides financial assistance to Manitoba companies in the film industry to increase their capacity to develop and support Manitoba creative talent by developing, strengthening and sustaining Manitoba's film production companies. The program supports film production companies that have carried on business for a minimum of two years, are financially viable and have an interest and commitment to the development of Manitoba creative talent.

Applicants are subject to jury evaluation by a panel of qualified industry professionals and business and financial experts.

**During fiscal year 2006, three local production companies were approved for a total contribution of \$70,000.**

### RECIPIENT

MidCanada Production Services Inc.  
Merit Motion Pictures Inc.  
StrongFront A/V Productions



Sharon Bajer and Jonathan Scarfe star in an episode of *The Atwood Stories*

## Sound Recording Production Fund

This program is designed to support the production of culturally relevant and commercially viable sound recordings by Manitoba's sound recording industry. All types and classes of commercially viable sound recording productions are eligible for support.

Applicants are subject to jury evaluation by a panel of qualified industry professionals and business and financial experts.

**During the 2006 fiscal year 26 applications were approved for a total investment of \$177,620.**

RECIPIENT	PROJECT
The Harlots	<i>The Harlots</i>
Endearing Records	<i>Paper Moon</i>
The Paperbacks	<i>The Paperbacks</i>
The Doug and Jess Band	<i>The Doug and Jess Band</i>
Signpost Music Ltd.	<i>Steve Bell</i>
Winnipeg Symphony Orchestra	<i>Winnipeg Symphony Orchestra</i>
Johnny Cajun	<i>Johnny Cajun</i>
Burning Circus Productions	<i>Tele</i>
cbg Artist Development	<i>Driver</i> <i>Platinum Black</i> <i>Little Hawk</i>
Festival Distribution, Inc.	<i>The Wailin' Jennys</i> <i>James Keelaghan</i>
Slo Coach Recordings	<i>Shadez</i>
Lives of Many	<i>Lives of Many</i>
StrongFront A/V Productions	<i>C-Weed</i> <i>J.C. Campbell</i>
Rusalka Ukrainian Dance Ensemble	<i>Rusalka Ukrainian Dance Ensemble</i>
The Fabulous Kildonans	<i>The Fabulous Kildonans</i>
4500105 MB Ltd. D.B.A. Tin Foil Phoenix	<i>Tin Foil Phoenix</i>
Marshall Zacharias	<i>Fresh I.E.</i>
Blue Case Tunes	<i>Cara Luft</i>
Unison Studios and Recording Inc.	<i>J.P. Hoe</i>
Billy Joe Green	<i>Billy Joe Green Band</i>
Marshall Zacharias	<i>Amanda Falk</i>
Arbor Records Ltd.	<i>Longhouse</i>

## Demo Recording Fund

This program is designed to assist in the production of demo recordings by Manitoba artists to be used for promotional purposes. All genres of music are eligible for support.

**During the 2006 fiscal year 30 applications were approved for a total amount of \$57,481.**

RECIPIENT	PROJECT
Bill Kiely	<i>Floor Thirteen</i>
Rejean La Belle	<i>HundredFold</i>
Burning Circus Productions	<i>Castrati</i> <i>Inward Eye</i> <i>Mad Young Darlings</i>
Unison Studios and Recording Inc.	<i>Myles Palmquist</i> <i>J.P. Hoe</i> <i>Alverstone</i> <i>The Morning After</i>
Jay Tooke	<i>The Most</i>
Sean Buchanan	<i>The Western States</i>
Randy Frykas	<i>Doc Brown</i>
Ray Martin	<i>Stephanie Bull</i>
StrongFront A/V Productions	<i>X-Status</i>
Signpost Music Ltd.	<i>Diana Pops</i>
Easily Amused Music	<i>Easily Amused</i>
Domenica	<i>Domenica</i>
cbg Artist Development	<i>Flo</i> <i>Cher Maendel</i>
Kray Industries Limited	<i>Blueprint Gallery</i>
Dada World Data Productions Inc.	<i>Maestro Ayahuasquero</i>
Danny Schur	<i>Teagan Littlechief</i>
James Creasy	<i>Gabriel Taylor</i>
Ray Martin	<i>Ray Martin</i>
Marcel Desilets	<i>Marcel Desilets</i>
Universe	<i>Universe</i>
Jackson Lung	<i>Jackson Lung</i>
Wab Kinew	<i>Wab Kinew</i>
Matt Epp	<i>Matt Epp</i>
Transistor 66 Record Company	<i>Hot Live Guys</i>

# SOUND PROJECTS SUPPORTED IN FISCAL YEAR 2006

## Recording Artist Touring Support Program

This program is designed to assist Manitoba recording artists reach audiences to promote their sound recording products through touring. The album to be toured is assessed on its Canadian content, with specific emphasis on Manitoba content, quality, suitability for radio play and sales potential.

**During the 2006 fiscal year 33 applications were approved for a total contribution of \$109,308.**

RECIPIENT	TOUR
Greg MacPherson	<i>Greg MacPherson - Night Flares:</i> Eastern Tour, European Tour
4500105 MB Ltd. D.B.A. Tin Foil Phoenix	<i>Tin Foil Phoenix - Living In The Shadow Of The Bat:</i> Spring 2005 Western Tour, October 2005 Western Tour
The Telepathic Butterflies	<i>The Telepathic Butterflies - Songs From A Second Wave:</i> Eastern Canada & U.S. Tour
The Brat Attack	<i>The Brat Attack - from this beauty comes chaos and mayhem:</i> Eastern Tour
Smallman Records	<i>Comeback Kid - Wake The Dead:</i> U.S. Tour, European Tour
Red Letter Music	<i>Christine Fellows - Paper Anniversary:</i> Eastern Tour, Western Tour
Paquin Entertainment Group Inc. Frek Sho Productions	<i>The Attics - Here They Come:</i> Canadian Tour <i>Ismaila - Mark Of The Zebra:</i> Canadian and U.S. Tour
Projektor Music Inc. BURNTHE8TRACK Farrell Bros. Productions	<i>Projektor - Young Hearts Fail:</i> Western Tour <i>BURNTHE8TRACK - The Ocean:</i> European Tour <i>The Farrell Bros. - This Is a Riot:</i> Eastern Tour, European Tour
The Perms DAS MACHT SHOW	<i>The Perms - Better Days:</i> Ontario Tour <i>das macht SHOW! - Four Legs Good:</i> Central Tour, Eastern Canada & U.S. Tour
Olesia Productions	<i>Alexis Kochan + Paris to Kyiv - Fragmenti:</i> North Eastern Tour
Children Of Tragedy Alana Levandoski	<i>Children of Tragedy:</i> U.S. Tour <i>Alana Levandoski - Unsettled Down:</i> Canadian Tour
I Witness Nathan Music Co. Scott Nolan	<i>I Witness - Passerby:</i> Western Tour <i>Nathan - Jimson Weed:</i> Western Tour <i>D. Rangers / Scott Nolan / Romi Mayes:</i> Ontario Tour
The Rowdymen Milan Milosevic Trio	<i>The Rowdymen - Rubberneckin':</i> Alberta Tour <i>Milan Milosevic Trio - Pearls and Yarn:</i> Western U.S. Tour
Econoline Crush Madrigaia The Wailin' Jennys	<i>Hurst - Wanderlust:</i> Canadian Tour <i>Madrigaia - Pléiades:</i> Western Tour <i>The Wailin' Jennys - 40 Days and 40 Nights:</i> Australia Tour
Michelle Gregoire Productions Jet Set Satellite Dust Poets	<i>Michelle Gregoire - Reaching:</i> Canadian Tour <i>Jet Set Satellite - Vegas:</i> Eastern Tour <i>Dust Poets - Lovesick Town:</i> Western Tour

## Record Product Marketing Support

This program is designed to assist with the marketing and promotion of Manitoba sound recording products. Marketing support is available for sound recording products that meet Manitoban sound recording content requirements.

**During the 2006 fiscal year 16 applications were approved for a total contribution of \$56,639.**

RECIPIENT	PROJECT
Olesia Records Inc. Endearing Publishing Inc. Christine Fellows Balanced Records Steeple Chaser Madrigaia Arbor Records Ltd. Vinyl Republik M.A.R.I.A. Arbor Records Ltd. La Chorale des Intrepides Inc.	<i>Alexis Kochan + Paris to Kyiv - Fragmenti</i> <i>Endearing Publishing Samplers vol. 3/4/5</i> <i>Christine Fellows - Paper Anniversary</i> <i>Fascade@137db - Character of the Moment</i> <i>Steeple Chaser - Standing On The Verge</i> <i>Madrigaia - Pléiades</i> <i>Stryker Soundtrack</i> <i>Lampshade - Modern Behaviour</i> <i>MARIA Aboriginal Music Showcase 2005</i> <i>Ray St. Germain - Christmas</i> <i>La Chorale des Intrepides</i> <i>- Les Intrepides Chantent Noel</i>
Rising Sun Productions Balanced Records	<i>Eagle &amp; Hawk - Life Is...</i> <i>Northern Faction 3</i> <i>- Balanced Records Compilation</i>
Swing Soniq Twilight Hotel Music Burning Circus Productions	<i>SwingSoniq - Love Wild</i> <i>Twilight Hotel - Bethune</i> <i>Quinzy - Please Baby Please</i>



Shadez



The Harlots

## Music Video Fund

This program is designed to encourage the production of music videos in order to aid in the promotion and marketing of album projects with national distribution. The project must be designed for a Manitoba recording artist to promote a previously released or soon-to-be released recording, and must meet the Manitoba content points with regards to production of the video.

**During the 2006 fiscal year, seven applications were approved for a total contribution of \$39,237.**

RECIPIENT	PROJECT
Mighty Kraken Films Inc.	<i>Novillero</i> - Aim Right For The Holes In Their Lives: "The Hypnotist", "The Art of Carrying On"
Wild Boars of Manitoba Inc.	<i>Stryker Soundtrack</i> "Getting' Money"
Smallman Records	<i>Comeback Kid</i> - Wake The Dead: "Wake The Dead"
Inferno Pictures Inc.	<i>Driver</i> - Inhuman Nature: "Inhuman Nature"
julijette Inc.	<i>The Farrell Bros.</i> - This Is a Riot: "Burning Desire"
Mighty Kraken Films Inc.	<i>Christine Fellows</i> - Paper Anniversary: "Migrations"

## Sound Portfolio Investment Envelope

MANITOBA FILM & SOUND's Sound Portfolio Investment Envelope (PIE) Program provides financial assistance to Manitoba companies in the sound industry to increase their capacity to develop and support Manitoba creative talent by developing, strengthening and sustaining Manitoba's sound industry companies. The program supports sound recording companies that have carried on business for a minimum of two years, are financially viable and have an interest and commitment to the development of Manitoba creative talent.

Applicants are subject to jury evaluation by a panel of qualified industry professionals and business and financial experts.

**During the 2006 fiscal year, one application was approved for a total contribution of \$10,000.**

RECIPIENT
StrongFront A/V Productions

## Market Access Program

Market Access is a joint program of MANITOBA FILM & SOUND and the Manitoba Audio Recording Industry Association (MARIA) through the Manitoba Music & Motion Pictures Development Project (M3P) and is administered by MARIA.

The purpose of the Market Access Program is to support Manitoba artists and music industry professionals in professional development by attending and enhancing their presence at professionally organized music industry conferences, showcases and other related approved events.

**In fiscal year 2006, MANITOBA FILM & SOUND committed \$30,000 to the Market Access Program, which provided funding assistance to a phenomenal 112 applications.**

RECIPIENT	PROJECT
Absurd Machine Inc.	Western Canadian Music Awards (Vancouver)
Alana Levandoski	Canada House pre-MIDEM show (London, England) Canadian Consulate (New York) Canadian Country Music Awards (Calgary) Canadian Music Café (Toronto Intl. Film Festival) Ontario Contact (Mississauga) OSAC Conference (Weyburn, SK)
Amanda Stott	Canadian Music Week (Toronto)
Arbor Records	Allegro Conference Canadian Aboriginal Music Awards (Toronto) Midem (Cannes, France) Publishing Trip South by SouthWest (Austin)
Balanced Records	Midem (Cannes, France)
Billy Joe Green	Western Canadian Music Awards (Vancouver)
Brandon Friesen	LA Marketing Trip
Brandy Zdan	Ontario Conference of Folk Festivals (Kingston)
Burning Circus Management	Canadian Music Week (Toronto) Junos (Halifax) New York Residency North by NorthEast (Toronto) South by SouthWest (Austin) Western Canadian Music Awards (Vancouver)
Burning Circus Media/ Inward Eye	South by SouthWest (Austin) Canadian Music Week (Toronto) Junos (Halifax) New York Residency North by NorthEast (Toronto)
Burning Circus Media/ Quinzy	Canadian Music Week (Toronto) Western Canadian Music Awards (Vancouver)
Burning Circus Media/Tele	North by NorthEast (Toronto)
C12 Records Limited	Midem (Cannes, France)
Cara Luft	Western Canadian Music Awards (Vancouver)
CBG Artist Development	Western Canadian Music Awards (Vancouver)

# SOUND PROJECTS SUPPORTED IN FISCAL YEAR 2006

## Market Access Program continued

RECIPIENT	PROJECT
Christine Fellows	South by SouthWest (Austin)
D. Rangers	Ontario Conference of Folk Festivals (Kingston)
daCapo Productions/ Clint Skibitzky	Banff Television Festival
daCapo Productions/ Olaf Pyttlik	Banff Television Festival
Dave Boulanger	Canadian Aboriginal Music Awards (Toronto) Western Canadian Music Awards (Vancouver)
Eagle & Hawk	Junos (Halifax) Midem (Cannes, France)
Easily Amused	NACA NEMO Music Festival (Boston, MA) North by NorthEast (Toronto)
Gerald LaRoche	Ontario Contact (Mississauga)
Greg Gardner	Western Canadian Music Awards (Vancouver)
House of Doc	North American Folk Alliance (Austin, TX) Ontario Conference of Folk Festivals (Kingston) Western Canadian Music Awards (Vancouver)
Isaac Mandamin	Canadian Aboriginal Music Awards (Toronto)
J.P. Hoe	North by NorthEast (Toronto) Western Canadian Music Awards (Vancouver)
Jack Shapira	Canadian Music Week (Toronto) Western Canadian Music Awards (Vancouver)
Jay Ross	Western Canadian Music Awards (Vancouver)
Jodi Rademaker (Jodi King)	Canadian Music Week (Toronto)
Kraink	Contact Ontariois (Gatineau, PQ)
Kray Industries	Canadian Music Week (Toronto)
Lampshade	Canadian Music Week (Toronto)
Madrigaia	North American Folk Alliance (Austin, TX) Ontario Conference of Folk Festivals (Kingston)
Marshmal-O Music	Canadian Music Week (Toronto)
Matthew Budoloski	LA Songwriting Trip
Nathan	Canadian Country Music Awards (Calgary) North American Folk Alliance (Austin, TX)
Noonan Productions/ Kimberley Dawn	Western Canadian Music Awards (Vancouver)
Novillero	North by NorthEast (Toronto)
Olesia Records	Midem (Cannes, France)
Paper Moon Music	Canadian Music Week (Toronto)
Paquin Entertainment	Arts NW Arts Touring Alliance MB IAFE North by NorthEast (Toronto) Shai Awards Western Canadian Music Awards (Vancouver)
Race Day Promotions	Canadian Music Week (Toronto)
Real Martin	Canadian Country Music Awards (Calgary)
Red Blanket	Canadian Music Week (Toronto)

RECIPIENT	PROJECT
Rhonda Brown	Canadian Aboriginal Music Awards (Toronto)
Rhonda Thompson	Canadian Urban Music Awards (Toronto)
Rising Sun Productions	Midem (Cannes, France)
Rob Wilson (Fresh I.E.)	Grammy Awards (L.A.)
Robert Turner	Junos (Halifax)
Romi Mayes	North by NorthEast (Toronto) Ontario Conference of Folk Festivals (Kingston) South by SouthWest (Austin)
Scott Nolan	North American Folk Alliance (Austin, TX) Ontario Conference of Folk Festivals (Kingston) Western Canadian Music Awards (Vancouver)
Smallman Records	CBK Euro Tour Chicago CBK Showcase CIRPA - LA Trade Mission Edgefest (Toronto) Midem (Cannes, France) POP Montreal Wakestock
Steve Schellenberg	Ontario Conference of Folk Festivals (Kingston)
The Attics	North by NorthEast (Toronto)
The Harlots	Western Canadian Music Awards (Vancouver)
The Morning After	Western Canadian Music Awards (Vancouver)
The Perms	Western Canadian Music Awards (Vancouver)
The Perpetrators	Junos (Halifax)
Todd Lesage	Canadian Music Week (Toronto)
Trevor Hurst	North by NorthEast (Toronto)
Twilight Hotel	North American Folk Alliance (Austin, TX)
Unison Studios	North by NorthEast (Toronto)
Vanderveen	North by NorthEast (Toronto)
Vinyl Republik	Canadian Music Week (Toronto) Western Canadian Music Awards (Vancouver)
Waking Eyes	North by NorthEast (Toronto) Western Canadian Music Awards (Vancouver)



Driver



The Waitin' Jennys

## Development and Production

In early fiscal year 2005/2006, the Interactive Digital Media Program was transferred from **MANITOBA FILM & SOUND** to the Department of Energy, Science & Technology (EST). Until an official Treasure Board submission was accepted, the funds continued to flow through MANITOBA FILM & SOUND upon the direction and approval from EST. The program guidelines and deadlines will be set by EST for the new fiscal year.

**DEVELOPMENT: During fiscal year 2006, two applications were approved for a total contribution of \$40,000.**

RECIPIENT	PROJECT
Prizzim 3 Inc.	<i>Prizzim: Glyphopia</i>
Les Productions Rivard Inc.	<i>VIA-TV Aenligne</i>

**PRODUCTION: During the fiscal year 2006, two applications were approved for a total investment of \$70,764.**

RECIPIENT	PROJECT
Hypnagogic Images Inc.	<i>www.lucidthemovie.com</i>
Dragonfly Games Division Inc.	<i>Dragonfly Basic Skills, ABC's, and 123's</i>



Lucid Website

## Access to Markets

These funds provide support for development activities of Manitoba private companies actively involved in Interactive Media content development, production and distribution that wish to attend national and international markets, co-production conferences/exchanges/immersions and Interactive Media festivals.

**During the 2005 fiscal year, seven applications were approved for a total contribution of \$11,011.**

RECIPIENT	PROJECT
Prizzim 3 Inc.	E3 Expo 2005 (2) Vidfest 2005
TMFX Studios	E3 Expo 2005
Derelect Media	E3 Expo 2005
CafeSonique.com Inc.	POPKOMM 2005
Kids Web TV Inc.	Wireless IT & Entertainment Trade Forum 2005

## Industry Support

**During fiscal year 2006, four applications were approved for a total contribution of \$123,467.**

RECIPIENT	PROJECT
MIDMA	Organizational Funding Request ACI Event - May 2005 E3 Expo 2005 Business Proposal 2005

## Management's Responsibility

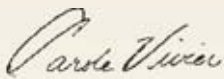
To the Board of Directors of Manitoba Film and Sound Recording Development Corporation:

Management has the responsibility for preparing the accompanying financial statements and ensuring that information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors and the Finance and Planning Committee are composed entirely of directors who are neither management nor employees of the Company. The Finance and Planning Committee also undertakes the responsibilities of an Audit Committee. The Finance and Planning Committee is appointed by the Board to review the financial statements in detail with management and to recommend them to the Board prior to their approval of the financial statements for publication.

External auditors are appointed to audit the financial statements and report directly to the Finance and Planning Committee; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the management and the Finance and Planning Committee to discuss their audit findings.



**Carole Vivier, CEO**  
Winnipeg, Manitoba  
April 26, 2006

## Auditors' Report

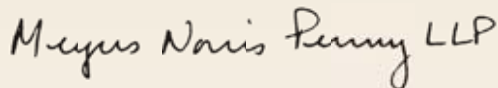
To the Board of Directors of Manitoba Film and Sound Recording Development Corporation:

We have audited the balance sheet of Manitoba Film and Sound Recording Development Corporation as at March 31, 2006 and the statements of revenues and expenses and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The prior year's financial statements were audited by another firm of chartered accountants.



**Chartered Accountants**  
Winnipeg, Manitoba  
April 26, 2006



# Balance Sheet

As at March 31, 2006

ASSETS	2006	2005
<b>Current</b>		
Cash (Note 3)	\$ 1,695,134	\$ 1,390,981
Notes receivable	-	13,673
Accounts receivable	13,078	19,253
Prepaid expenses	21,507	13,899
Inventory	3,049	8,506
	<u>1,732,768</u>	<u>1,446,312</u>
<b>Capital Assets</b> (Note 4)	<u>65,436</u>	<u>57,274</u>
	<u>\$ 1,798,204</u>	<u>\$ 1,503,586</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable	\$ 42,678	\$ 60,074
Deferred revenue (Note 5)	145,000	390,679
Carry-over commitments (Note 6)	1,296,986	736,342
Term loans payable	-	13,673
	<u>\$ 1,484,664</u>	<u>\$ 1,200,768</u>
<b>Net Assets</b> (Note 7)		
Invested in capital assets	\$ 65,436	\$ 57,274
Unrestricted	248,104	245,544
	<u>313,540</u>	<u>302,818</u>
	<u>\$ 1,798,204</u>	<u>\$ 1,503,586</u>

On behalf of the Board of Directors:



Director



Director

# Statement of Revenues and Expenses and Net Assets For the year ended March 31, 2006

REVENUES	2006	2005
Province of Manitoba funding	\$ 3,413,378	\$ 3,330,779
Interest income	48,276	31,702
Program recoupments	158,478	232,996
<b>TOTAL REVENUES</b>	<b>\$ 3,620,132</b>	<b>\$ 3,595,477</b>
EXPENSES		
<b>Film and Television Programs Funding</b>		
Film Development Financing Program	\$ 134,736	\$ 155,805
Film Production Financing Program	1,481,547	1,427,142
Access to Markets Program	30,000	30,000
Access to Festivals Program	-	750
Low Budget Feature Film Development Financing Program	7,466	3,000
Emerging Talent Matching Funds Program	15,650	24,000
Film Portfolio Investment Envelope Program	70,000	140,000
Film and Video Marketing Support	-	5,000
Interest expense	-	2,067
	<b>\$ 1,739,399</b>	<b>\$ 1,787,764</b>
<b>Sound Programs Funding</b>		
Sound Recording Production Fund	\$ 177,620	\$ 168,646
Demo Recording Fund	57,481	45,875
Music Video Fund	39,237	37,316
Record Product Marketing Support Program	56,639	69,390
Recording Artist Touring Support Program	109,308	81,724
Sound Portfolio Investment Envelope Program	10,000	40,000
Market Access Program	30,000	30,000
	<b>\$ 480,285</b>	<b>\$ 472,951</b>
<b>Interactive New Media Funding</b>		
Development	\$ 40,000	\$ 30,000
Production	70,764	40,300
Access to Markets Program	11,011	42,386
	<b>\$ 121,775</b>	<b>\$ 112,686</b>
<b>Industry Support</b>		
FILM		
Industry Associations	\$ 60,449	\$ 95,388
Sponsorships / Partnerships	64,899	40,145
INTERACTIVE MEDIA		
Industry Associations	123,467	17,396
Sponsorships / Partnerships	-	5,540
SOUND RECORDING		
Industry Associations	65,000	65,000
Sponsorships / Partnerships	10,750	10,750
	<b>\$ 324,565</b>	<b>\$ 234,219</b>
<b>Film Commission/Locations Services</b>	<b>\$ 290,752</b>	<b>\$ 251,350</b>
<b>Programs Delivery</b> (Note 9)		
Salaries	\$ 331,829	\$ 307,099
Marketing/Operating	146,023	142,740
	<b>\$ 477,852</b>	<b>\$ 449,839</b>
<b>Administrative Expenses</b>		
Salaries	\$ 107,752	\$ 103,870
Marketing/Operating	67,030	64,523
	<b>\$ 174,782</b>	<b>\$ 168,393</b>
<b>TOTAL EXPENSES</b>	<b>\$ 3,609,410</b>	<b>\$ 3,477,202</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>10,722</b>	<b>118,275</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>302,818</b>	<b>184,543</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 313,540</b>	<b>\$ 302,818</b>

# Statement of Cash Flows

For the year ended March 31, 2006

CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES	2006	2005
<b>Operating Activities</b>		
Excess of revenues over expenses	\$ 10,722	\$ 118,275
Amortization	16,281	17,930
	<u>\$ 27,003</u>	<u>\$ 136,205</u>
<b>Changes in Working Capital Accounts</b>		
Accounts receivable	6,175	11,153
Carry-over commitments	560,644	151,215
Inventory	5,457	(5,276)
Prepaid expenses	(7,608)	3,062
Accounts payable	(17,396)	(14,878)
Deferred revenue	(245,679)	(181,879)
	<u>\$ 301,593</u>	<u>\$ (36,603)</u>
	<u>\$ 328,596</u>	<u>\$ 99,602</u>
<b>Financing Activities</b>		
Term loans payable	\$ (13,673)	\$ (126,963)
<b>Investing Activities</b>		
Purchases of capital assets	\$ (24,443)	\$ (7,799)
Repayment of notes receivable	13,673	126,963
	<u>\$ (10,770)</u>	<u>\$ 119,164</u>
<b>INCREASE IN CASH RESOURCES</b>	<u>\$ 304,153</u>	<u>\$ 91,803</u>
<b>CASH RESOURCES, BEGINNING OF YEAR</b>	<u>\$ 1,390,981</u>	<u>\$ 1,299,178</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u>\$ 1,695,134</u>	<u>\$ 1,390,981</u>

## Notes to Financial Statements

For the year ended March 31, 2006

**1. NATURE OF BUSINESS** Manitoba Film and Sound Recording Development Corporation (the "Corporation") is a statutory corporation created by the Province of Manitoba through *The Manitoba Film and Sound Recording Development Corporation Act*. The chief objective of the Corporation is to foster growth of the Manitoba film and sound recording industries by providing financial and other assistance.

The Corporation has been designated by the Minister of Finance to administer the Manitoba Film and Video Production Tax Credit Program, including registration of productions and review of tax credit applications.

**2. SIGNIFICANT ACCOUNTING POLICIES** These financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

**Inventory:** Inventory is valued at the lower of cost or net realizable value.

**Capital Assets:** Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows: Website/Database 30% | Computer equipment 30% | Furniture 20% | Leasehold improvements 5% | Equipment 20%

**Program funding:** The Corporation provides grant funding to Manitoba companies and individuals in order to promote Manitoba's film, sound recording and interactive media artists and industries. The grant may nominally take the form of equity financing from which, in the future, there may be a recovery of principal or return on investment.

**Revenue recognition:**

a) **Program Recoupments:** Any recovery of principal or return on investment of programs funded is recorded as program recoupments when received or reported by the applicant.

b) **Province of Manitoba Funding:** Province of Manitoba funding is based on the Province of Manitoba's annual allocation to the Corporation and is

recorded as revenue when received.

**Measurement uncertainty:** The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets is provided based on the Corporation's estimated useful lives of those assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

**3. CASH** Cash on deposit earns monthly interest at the Chartered Bank's commercial rates.

4. CAPITAL ASSETS	2006		2005	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Website/Database	\$ 18,251	\$ 8,095	\$ 10,156	\$ -
Computer equipment	74,832	64,150	10,682	7,758
Furniture	50,186	45,618	4,568	7,765
Leasehold improvements	53,700	15,846	37,854	40,533
Equipment	5,074	2,898	2,176	1,218
	<u>\$ 202,043</u>	<u>\$ 136,607</u>	<u>\$ 65,436</u>	<u>\$ 57,274</u>

# Notes to Financial Statements (continued) For the year ended March 31, 2006

**5. DEFERRED REVENUE** The Province of Manitoba has provided funds directed to specific programs in the next fiscal year. These funds consist of:

	2006	2005
Sound Portfolio Investment Envelope Program	\$ 77,500	\$ 87,500
Interactive Media Program	-	255,587
Film Programs	-	47,592
Film Portfolio Investment Envelope Program	67,500	-
	<b>\$ 145,000</b>	<b>\$ 390,679</b>

**6. CARRY-OVER COMMITMENTS** Due to lead times required to obtain all the resources necessary to complete film, video, sound recording and interactive media projects, the Corporation approves applications for funding which may not be disbursed until subsequent fiscal periods. Particulars of such approved funding in fiscal year ended March 31, 2006 and prior years, which were not fully advanced as at March 31, 2006 are as follows:

	Year of Commitment			Total	
	05/06	04/05	03/04	2006	2005
<b>Film</b>					
Film Development	\$ 43,221	\$ 11,394	\$ -	\$ 54,615	\$ 34,815
Film Production	679,797	175,224	20,000	875,021	363,240
Access to Markets and Festivals	3,000	-	-	3,000	3,000
Emerging Talent Matching Funds	7,650	1,000	-	8,650	6,000
Film & Video Marketing	-	-	-	-	75
Portfolio Investment Envelope	28,000	34,000	-	62,000	43,500
Industry Support	15,931	3,000	-	18,931	5,875
	<b>\$ 777,599</b>	<b>\$ 224,618</b>	<b>\$ 20,000</b>	<b>\$ 1,022,217</b>	<b>\$ 456,505</b>
<b>Sound</b>					
Sound Recording	\$ 114,515	\$ 2,092	\$ -	\$ 116,607	\$ 134,646
Demo Recording	17,412	-	-	17,412	11,981
Record Product Marketing	11,720	-	-	11,720	19,750
Recording Artist Touring	10,600	-	-	10,600	14,980
Music Video Fund	4,700	-	-	4,700	4,463
Portfolio Investment Envelope	10,000	1,000	5,000	16,000	25,000
Market Access	3,000	-	-	3,000	3,000
	<b>\$ 171,947</b>	<b>\$ 3,092</b>	<b>\$ 5,000</b>	<b>\$ 180,039</b>	<b>\$ 213,820</b>
<b>Interactive Media</b>					
Development	\$ 4,000	\$ 500	\$ 1,000	\$ 5,500	\$ 22,000
Production	15,950	13,280	-	29,230	40,300
Access to Markets	-	-	-	-	3,117
Industry Support	60,000	-	-	60,000	600
	<b>\$ 79,950</b>	<b>\$ 13,780</b>	<b>\$ 1,000</b>	<b>\$ 94,730</b>	<b>\$ 66,017</b>
<b>Total Commitments</b>	<b>\$ 1,029,496</b>	<b>\$ 241,490</b>	<b>\$ 26,000</b>	<b>\$ 1,296,986</b>	<b>\$ 736,342</b>

## 7. NET ASSETS

	Invested in capital assets	Unrestricted	2006	2005
Balance, beginning of year	\$ 57,274	\$ 245,544	\$ 302,818	\$ 184,543
Excess (deficiency) of				
revenues over expenses	(16,281)	27,003	10,722	118,275
Investment in capital assets	24,443	(24,443)	-	-
Balance, end of year	<b>\$ 65,436</b>	<b>\$ 248,104</b>	<b>\$ 313,540</b>	<b>\$ 302,818</b>

**8. LEASE COMMITMENTS** The Corporation occupies leased premises subject to minimum monthly rent of \$4,821 until August 2009. The Corporation also has a lease agreement for a copier with quarterly payment of \$1,646 until February 2009 and a lease agreement for a mail system with quarterly payments of \$198 until December 2009. Future minimum annual payments as are follows:

2007	\$ 60,407
2008	\$ 65,229
2009	\$ 64,679
2010	\$ 24,700

**9. PROGRAMS DELIVERY** Programs delivery also includes the expenses associated with the delivery of the Manitoba Film and Video Production Tax Credit Program (MTC). While the value of the MTC does not flow through the Corporation, the delivery of it does and is therefore determined to be worth noting. A total of 86 applications were received for processing during the 2006 fiscal year (2005 - 93), representing in excess of \$159 million worth of production activity (2005 - \$250 million). Production activity includes projects which took place in current and prior years. The tax credits are subject to approval by the Province of Manitoba.

**10. ECONOMIC DEPENDENCE** The Corporation's primary source of income is derived from the Province of Manitoba in the form of an operating grant.