

How can anyone leave a province that has MANITOBA FILM & SOUND?!!"
- Guy Maddin

[MANITOBA FILM & SOUND] is like running into your mother's arms.
Lisa Meeches, Eagle Vision



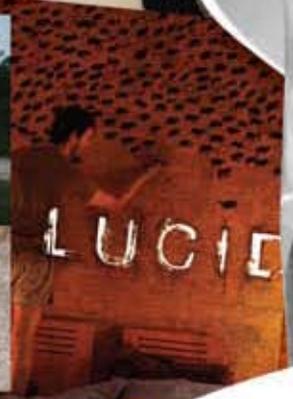
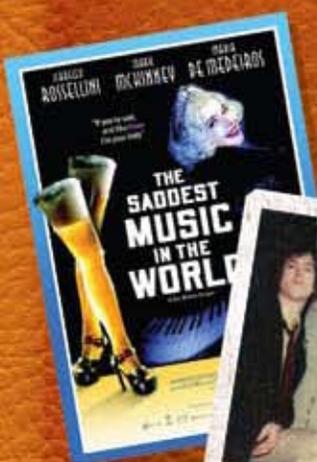
I feel very lucky to be creating a career as a film maker in a province that supports film makers.



ANNUAL REPORT

2007-2008

Sean Garrity,
Film Maker



When I travel to other cities, you hear that Manitoba is a great place for film, and I think MANITOBA FILM & SOUND is largely responsible for a lot of the activity that's going on here.

Sharon Bajer,
ACTRA Manitoba

MANITOBA FILM &
SOUND HAS ALLOWED
ME TO ACTUALLY PURSUE
MY DREAM.

ROB KRAUSE,
SMALLMAN RECORDS

MANITOBA FILM &
SOUND started evolving
and enabling people to
survive artistically and
financially.

Gilles Paquin,
Paquin Entertainment



MANITOBA FILM & SOUND started giving opportunities to artists in the forms of music grants, demo grants, album grants, it was something that was much of an invitation or a challenge to the artist to say, hey, it's okay to record and we want to help encourage and support that. I think that was a fantastic investment.

Vince Fontaine,
Eagle and Hawk

The tax credit has had a tremendous economic effect and a cultural effect in terms of Manitoba and Canada actually for that matter.

Derek Mazur,
National Film Board



I just want to say how proud I am of MANITOBA FILM & SOUND and how blessed I feel to be part of the Manitoba Music Industry.

Heather Bishop

There's a whole bunch of dedicated and knowledgeable people behind the scenes that are working very hard in our industry like MARIA and MANITOBA FILM & SOUND...it's really helped cushion what is really an incredibly hard business.

Chris Burke-Gaffney,
cbg Arts and Development

THEIR DRIVE TO BRING BUSINESS HERE HAS ALWAYS AMAZED ME... THEY ARE RELENTLESS IN DEVELOPMENT AND PURSUIT IN PROMOTING MANITOBA AND MANITOBA FILM INDUSTRY.

MICHAEL DRABOT,
PS PRAIRIES



LETTER OF TRANSMITTAL

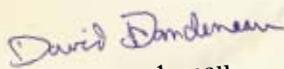
July 31, 2008

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

Dear Minister Robinson:

In accordance with Section 16 of the MANITOBA FILM & SOUND Recording Development Corporation Act, I have the honour to present the Annual Report of the MANITOBA FILM & SOUND Recording Development Corporation for the fiscal year ended March 31, 2008.

Respectfully submitted,



David Dandeneau

Chairperson
MANITOBA FILM & SOUND



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Front cover: (Top right): Ben Kingsley in *You Kill Me*. (Second Row Left to Right): Promotional poster for *The Saddest Music in the World* directed by Guy Maddin • *The Pumps* • *Streethart* • Philip Seymour Hoffman in *Capote*. (Bottom Left to Right): Luke McMaster, Dale Severyn and Rob James • *Crash Test Dummies* • Jennifer Kydd and Steve Byers in *Falcon Beach* • Promotional poster for *Lucid* directed by Sean Garrity • Photo of Juno Statuette. (Source: CARAS & The JUNO Awards)

2007/2008

MESSAGE FROM THE CHAIRPERSON & CHIEF EXECUTIVE OFFICER



David Dandeneau
David Dandeneau
Chairperson
(from July 25, 2007)



Carole Vivier
Carole Vivier
Chief Executive Officer/General Manager

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, 2008.

This year's Annual Report is a special one. We've not only highlighted our many achievements over the past year, but also, in celebration of our 20th anniversary, we've taken a look back at some important milestones and reflections! And on that note, we'd like to start by extending our sincere appreciation to departing Chairperson of the board, **Cheryl Barker**. Cheryl was a dedicated member of our board since its inception in 1998 and an integral part of **MANITOBA FILM & SOUND**'s many successes over the last two decades. We wish her all the best!

In recognition of **MANITOBA FILM & SOUND**, along with the **Manitoba Audio Recording Industry Association (MARIA)** and **On Screen Manitoba's** (formerly **MMPIA**) outstanding support of Manitoba's film



Carole Vivier (MFS), Jim Rondeau (Minister of Science, Technology, Energy and Mines), and past MFS Chair, Cheryl Barker at the 2005 Juno Awards reception.

and sound recording industries for 20 years, **Eric Robison, Minister of Culture, Heritage, Tourism and Sport** proclaimed the week of **October 1 to 7, 2007** as **Manitoba Film and Music Week**. During this time, the film and music communities came together in celebration with a variety of events including a Gala evening, on October 4 at the Winnipeg Convention Centre for 1500 invited industry professionals; where Manitoba musicians **Pat Wright Band, Doc Walker, Keith and Renee** and **Chris Burke-Gaffney** performed on the main stage and excerpts from **Guy Maddin's** feature documentary, **My Winnipeg**, were previewed and **Frantic Films** screened a tribute video, remembering 20 years of Manitoba film and music. The evening continued into the wee hours at the Pyramid Cabaret with music by **DJ Grant Paley**, and **Inward Eye**, then a public celebration was held on October 5 that included Manitoba acts; **Nathan, Inward Eye, Tele**, and **J.P. Hoe**.

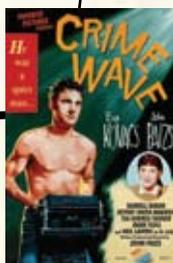
Throughout our Annual Report, you will enjoy timelines of the past two decades that capture flagship moments, or as we like to think of them, some of the jewels in our agency's crown. Here, we highlight some sample milestones to show you how far we've come:

- In 1987, **MANITOBA FILM & SOUND** started with contributions of **\$175,000** to local musicians. In 2007/2008, contributions increased to **\$562,000** to help record over 50 albums and promotional demos and to support 39 touring acts.
- In 1988, **Guy Maddin's** first feature, **Tales From the Gimli Hospital** was completed. In 2002, **Maddin** directed the film, **Dracula: Pages from a Virgin's Diary** that won an **International Emmy for Best Performing Arts Program – Canada**. Then, in 2007, with 31 directed projects under his belt, **Maddin** won top honours at the **Toronto International Film Festival** for **Best Canadian Feature** with a cash prize of \$30,000 attached for his latest feature, **My Winnipeg**.
- In the early 80's, the first **Oscar** nomination for a Manitoba production was given to **The Big Snit**, a short animated film by **Richard Condie**. In 2006, **Capote**, a made in Manitoba feature starring **Philip Seymour Hoffman** co-produced by Manitoba production company **Eagle Vision Inc.**, and supported by **MANITOBA FILM & SOUND**, won many international awards including an **Oscar**.
- **Before 2007**, Manitoba music was recognized for a combined **398 nominations** and **67 wins** at the Junos, Western Canadian Music Awards and Canadian Country Music Awards. In 2007/2008 alone, Manitoba musicians were recognized with **51 nominations** and **12 awards** at these same 3 award shows.

1987
MMPIA AND CIDO
(LATER TO BE CALLED
MANITOBA FILM &
SOUND) ARE
FOUNDED



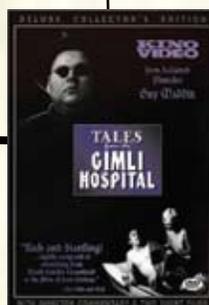
1987
CRIME WAVE, THE
FIRST FEATURE FILMED
IN MANITOBA WAS
RELEASED



1987
THE GUESS WHO -
CANADIAN MUSIC HALL
OF FAME INDUCTEES



1988
GUY MADDIN'S FIRST
FEATURE COMPLETED:
TALES FROM THE
GIMLI HOSPITAL



1989
FRED PENNER - BEST
CHILDREN'S ALBUM
(JUNO)



1990
CIDO BECOMES
KNOWN AS MANITOBA
FILM & SOUND



1990
LOST IN THE BARRENS,
SUPPORTED BY
MANITOBA FILM
& SOUND, IS THE
PROVINCE'S FIRST EMMY
AWARD WINNER





Councillor Dan Vandal, Nancy Allen (Minister of Labour and Immigration), David Dandeneau, Carole Vivier (MFS), Sam Beardman (MARIA), Tara Walker (On Screen Manitoba), Ginette Lavack, Kim Todd (Original Pictures), at 20th Anniversary Gala at the Winnipeg Convention Centre.

- Manitoba artists have performed at over **400 showcases at music industry conferences** and festivals across the globe in cities like Toronto, Montreal, Vancouver, Cannes, Berlin, Austin, Nashville, Los Angeles and New York.
- In the last 20 years, Manitoba artists **Crash Test Dummies, Chantal Kreviazuk, The Weakerthans, Heather Bishop, Loreena McKennitt, Remy Shand, The Watchmen, McMaster and James and Fred Penner** have all had Gold or Platinum album sale status in Canada and/or the United States.

Each year, there are so many achievements of our organization and the Manitoba film and music industries as a whole. Highlights from fiscal 2007/2008 include:



Kari Skogland (director, *The Stone Angel*), Luke McMaster, Carole Vivier (MFS), Rae Thurston (P.S. Production Services) (back), Reggie Robb, Chris Burke-Gaffney at Toronto International Film Festival. (front) Kyle Riabko.

- A record number of **seven** Manitoba films were screened and marketed at the **2007 Toronto International Film Festival** which included a combination of features, shorts and animation. They were: **The Stone Angel, Walk All Over Me, My Winnipeg, Wildflowers of Manitoba, ReOrder, The Last Moment** and **Automoto**.

- Manitoba musicians were recognized with **124 nominations and 30 awards** combined at the following awards: **Junos, Canadian Country Music Awards, Indian Summer Music Awards, Covenant Music Awards, Western Canadian Music Awards, Aboriginal People's Choice Music Awards, Canadian Aboriginal Music Awards, LA Music Awards, Canadian Folk Music Awards** and the **Folk Alliance Awards**.

- November/December 2007 marked a **record number of six film and television projects in various stages of simultaneous production**, proving once again our local production industry's capability to accommodate increased amounts of activity.
- 2007/2008 was a banner year for **MANITOBA FILM & SOUND supported musicians** whose music was used in eight North American film, television or gaming



Chris Burke-Gaffney, Barbara Sedun (MFS), Kyle Riabko, Angie Lamirande (On Screen Manitoba) at Toronto International Film Festival.



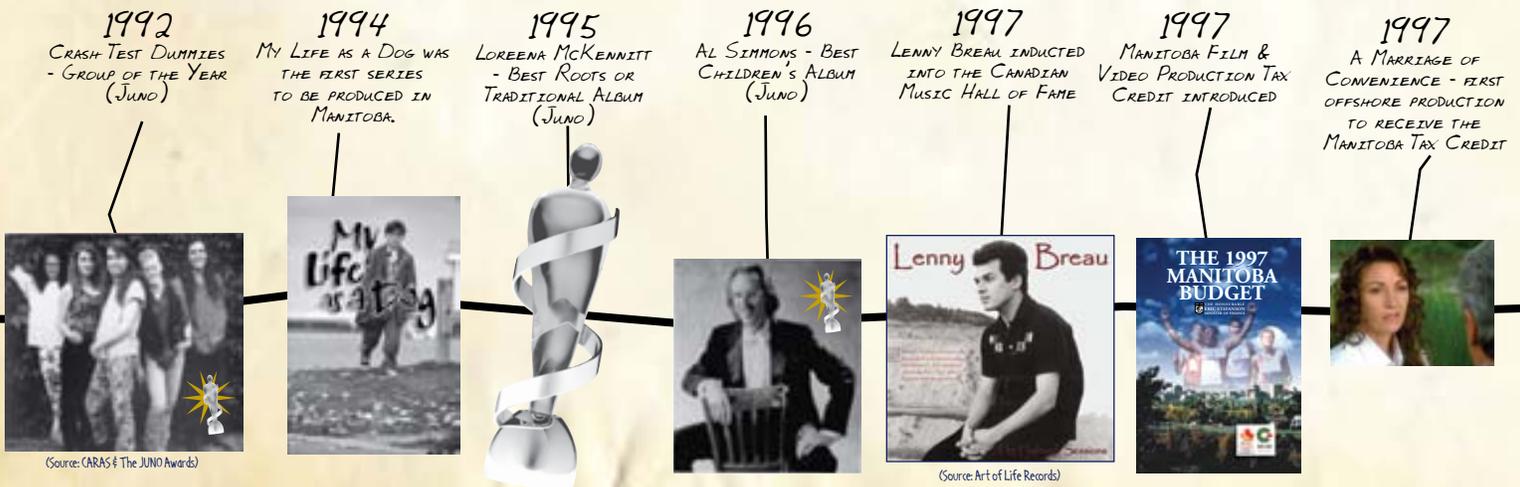
Kyle Irving (Eagle Vision Inc.) and Carole Vivier (MFS) in Australia as part of Premier Doer's Business Mission.



The Red Carpet Premiere of *The Capture of The Green River Killer* in Washington D.C. for Lifetime Network. Juliette Hagopian (Producer of GRK), Norma Bailey (Director of GRK) and Carole Vivier (MFS).



Matt Milch (Producer of *The Heaven Project*), Stan Brooks (Producer of *Capture of The Green River Killer*), Premier Gary Doer and Carole Vivier (MFS) in Los Angeles for the Producers Dinner.





Sam Beardman (MARIA), Norma Bailey, Ginny Devine, Premier Doer, Carole Vivier (MFS) at 20th Anniversary Gala at the Winnipeg Convention Centre.

projects, including Ash Koley's, *Mary the Inventor* used in the film, *The Hottie and the Nottie*, Cat Jahnke had three musical projects picked up including the score for the short film, *Ctr-Z*, and music for the game *Positive Gaming*. *Tele* was included on the soundtrack for TV's, *Science of Love*; *The Details* and *Jaylene Johnson* separately contributed to TV's, *Lipstick Jungle* and *Keri Latimer* of indie roots quartet, *Nathan*, collaborated on the score for the Sundance Film Festival Grand Jury Prize film, *Frozen River*.

- **MANITOBA FILM & SOUND** continued to market the Province's film industry at numerous international markets including: **New York** for the **Independent Film Market**; co-hosting a private dinner in **Los Angeles** connecting our industry and **Premier Doer** with industry executives from **Gold Circle**, **Once Upon a Time Films** and **Disney**; screening of films, *The Capture of the Green River Killer* directed by Manitoban, **Norma Bailey** in **Washington DC** and the locally shot, *The Assassination of Jesse James by the Coward Robert Ford* in **Manila, Philippines** was screened as part of **Premier Doer's** business mission. **MANITOBA FILM & SOUND** took part once again in the Canadian Pavilion at the **Cannes International Film Festival**; and a business mission to **Australia**, where meetings were held with Australian officials, broadcasters, distributors and production companies.

The successes highlighted here are only a few of the many achievements of Manitoba's film and sound industries over the last year, none of which would be possible without the commitment of so many individuals and groups.

The support provided by **MANITOBA FILM & SOUND** in terms of funding and programming has paid large dividends, not only to those who are funded, but to all Manitobans through economic and cultural growth. This past year, **MANITOBA FILM & SOUND** and its **Board of Directors** developed a **Strategic Plan for 2007-2012** that identifies strategies with timelines that will serve as guidelines for the course of action in our commitment to ensure continued growth and support of Manitoba's motion picture and sound recording industries.

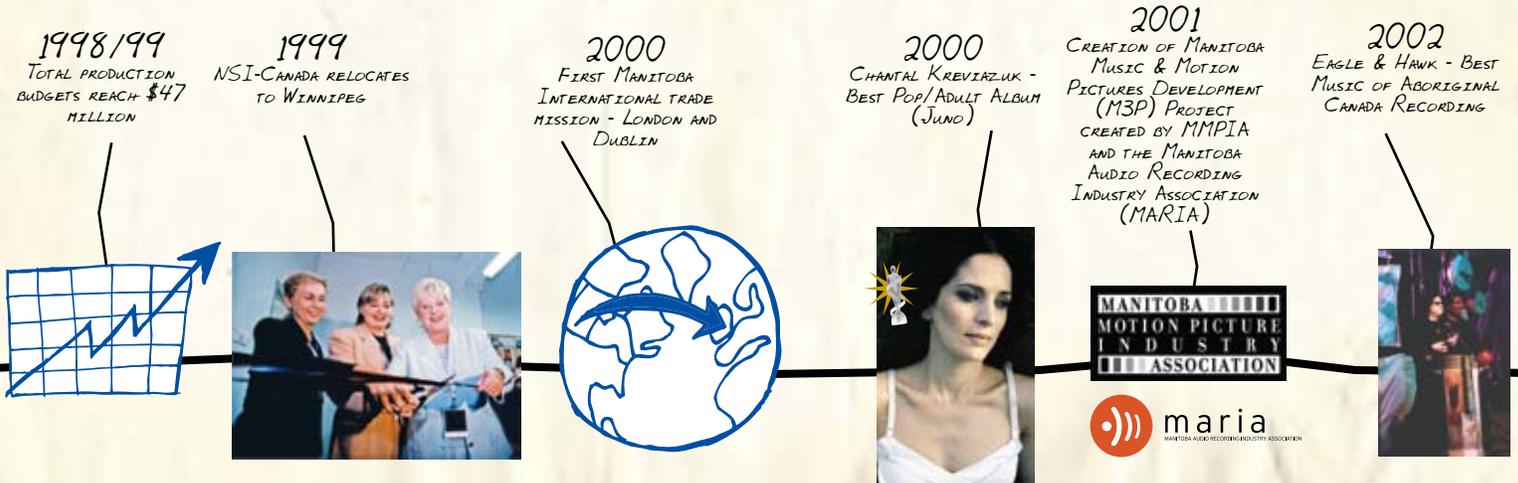
MANITOBA FILM & SOUND and its **Board of Directors**, would like to take this opportunity to thank the Government of Manitoba for their ongoing support. The Departments of Culture, Heritage, Tourism and Sport as well as Competitiveness, Training, Trade and Finance are instrumental in the growth and development of Manitoba's cultural industries.

To the employees of **MANITOBA FILM & SOUND**, who contribute daily to the success of the Corporation with their hard work and devotion on so many levels, we express our gratitude to the meaning you give our mandate of **making MANITOBA FILM & SOUND industries flourish!** And to keep in line with our mission statement, we are excited to announce that this fall, **MANITOBA FILM & SOUND** will be changing its branding to **MANITOBA FILM & MUSIC**, a name that better reflects what our Corporation supports and stands for.

Finally, we'd like to thank every supporter of the Manitoba film and music industries, who individually take many different shapes and forms, each of which *has been and will continue to be* of vital importance to our success. To the artist who jots down an idea on a napkin; to the educator who connects the idea to concept; to the busy group of industry professionals who set aside time to foster the forward motion of a project; to the agencies who contribute faith with their funding; to the producers who make the vision come to life; to the promoters who sing our projects' praises and finally, to the people, locally and all over the world who have loved and supported Manitoba film and music for the last 20 years, we thank you.

20th Anniversary Gala

1. DJ Grant Paley
2. Carole Vivier (MFS) thanks guests for attending at 20th Anniversary Gala
3. Director Guy Maddin spoke and introduced his film, *My Winnipeg*, to guests
4. Tara Walker (On Screen Manitoba) and Kim Todd (Original Pictures)
5. Jason Friesen Quartet entertains guests
6. Neila Benson (Film Training Manitoba), Mike Benson (CHTS) and Tanis Wheeler (secretary to Aboriginal Issues Committee of Cabinet)
7. Paul Jordan (Jazz Winnipeg) and Fred Penner
8. Krista Paquette, Ric Paquette, Diane Redsky, Lisa Meeches, Jackie Black, Kim Bell (in back), RoseAnna Schick
9. 20th Anniversary ice Sculpture
10. Inward Eye entertains guests
11. Doc Walker entertains guests



20TH ANNIVERSARY



1



2



3



4



5



7



8



6



10



11



9

2002
MMPA LAUNCHES
MARKET DEVELOPMENT
PROGRAM ACCESS TO
MARKETS



2003
FRED PENNER -
CHILDREN'S ALBUM OF
THE YEAR (JUNO)



(Source: CARAS & The JUNO Awards)

2003/04
TOTAL PRODUCTION
BUDGETS TOP
\$100 MILLION



2003
MANITOBA HOSTS CANADA
DAY IN LOS ANGELES
AND A MANITOBA
INTERNATIONAL TRADE
MISSION TO LA



2004
DOC WALKER -
ENTERTAINER OF
THE YEAR - WESTERN
CANADIAN MUSIC
AWARDS



(Source: Western Canadian Music Awards)

THE CORPORATION

The MANITOBA FILM & SOUND Recording Development Corporation (MANITOBA FILM & SOUND) is a statutory corporation of government proclaimed under The MANITOBA FILM & SOUND Recording Development Corporation Act funded by the province of Manitoba through the Department of Culture, Heritage, Tourism and Sport, the management of MANITOBA FILM & SOUND reports directly to the Board of Directors appointed by the Lieutenant Governor.

BOARD OF DIRECTORS

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

- David Dandeneau** Chairperson (from July 25, 2007)
- Cheryl Barker** Chairperson (to July 24, 2007)
- Lisa Meeches** Vice-Chair
- Heather Bishop** Chair, Finance and Planning Committee
- Alana Langelotz** Chair, Personnel Committee
- Ric Paquette** Chair, Programs Committee
- Joy Keeper**
- Gerry Atwell**
- Kim Todd** (from April 10, 2007)
- Gerald Rodrigue** (from July 25, 2007)

MANITOBA FILM & SOUND

exists so that our *film* and *sound industries* flourish!

MANITOBA FILM & SOUND Board Members with Minister Robinson and Carole Vivier: Alana Langelotz, Lisa Meeches, Gerard Rodrigue, Minister Eric Robinson, Gerry Atwell, David Dandeneau, Carole Vivier (CEO, MFS), Joy Keeper, Kim Todd, Heather Bishop, Ric Paquette.



PERSONNEL

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

Carole Vivier

Chief Executive Officer/General Manager and Film Commissioner

Monique Ledohowski

Manager, Finance and Operations

Louise O'Brien-Moran

Manager of Film Programs and Locations Services

Barbara Sedun

Manager, Sound Recording Programs (from December 17, 2007)

Kevin Walters

Manager, Sound Recording Programs (to November 23, 2007)

Sebastien Nasse

Senior Analyst, Film, Television and Tax Credits

Andrea Kaptein

Film Programs Administrative Assistant

Bridget Marten

Administrative Assistant

Ian Russell

Film Production Coordinator

Paul Pedosiuk

Film Production Coordinator (from September 10, 2007)

Omlola Ilelaboye

Film Production Coordinator (to August 17, 2007)

Alexis Jones

Communications & Corporate Affairs Coordinator (to January 18, 2008)

Melissa Kaminsky

Sound Programs Administrative Assistant

Annual Report assembled by:

Tannis Scott

Communications and Marketing Representative (from May 2008)

2004
PAQUIN ENTERTAINMENT
- AGENCY OF THE YEAR
- WESTERN CANADIAN
MUSIC AWARDS



(Source: Western Canadian Music Awards)

2004
21 GEMINI
NOMINATIONS FOR
MANITOBA PRODUCTIONS
AND CRAFTSPEOPLE



2004
FRANTIC FILMS NAMED
ONE OF THE PROFIT
"100 FASTEST GROWING
COMPANIES" IN CANADA



2005
NATHAN -
SONGWRITER(S) OF
THE YEAR - WESTERN
CANADIAN MUSIC
AWARDS



(Source: Western Canadian Music Awards)

2005
THE WAILIN' JENNYS -
ROOTS & TRADITIONAL
ALBUM OF THE YEAR:
GROUP (JUNO)



(Source: CARAS & The JUNO Awards)

2005
LES PRODUCTIONS
RIVARD CELEBRATES
10 YEARS



Les Productions Rivard

2005
PROVINCE OF
MANITOBA INCREASES
TAX CREDIT TO 45%
AND AS A LEADER IN
FILM INCENTIVES,
INTRODUCES TWO
5% BONUSES - THE
FREQUENT FILMING
BONUS AND THE
RURAL BONUS



2007/2008

YEAR IN REVIEW

In fiscal 2007/2008, **MANITOBA FILM & SOUND** celebrated twenty years of supporting Manitoba film and music through our objectives, which 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 for off-shore production companies. **MANITOBA FILM & SOUND** is a member of the Association of Film Commissions International (AFCI).

FUNDING OF MANITOBA PRODUCTIONS AND SOUND RECORDING PROJECTS

In 2007/2008, production activity in Manitoba reached **\$123.4 million** dollars. **MANITOBA FILM & SOUND** invested in **21** television and feature film projects through the **Market Driven Television Production Financing Program**, the **Market Driven Feature Film Financing Program** and the **Emerging Talent Matching Funds** programs. Investment in these projects of **\$1.6 million** supported **\$43.5 million** in production budgets.

As the sound recording industry is continually evolving, in fiscal year 2008, **MANITOBA FILM & SOUND** revised its sound recording program guidelines to better reflect the needs of Manitoba's emerging and established sound recording artists. Previous to fiscal 2008, there were two levels of support, one that encouraged the production of demo recordings of two or more songs to be used for calling card purposes and the other that encouraged the production of full length CD projects for commercial release. The new **Sound Recording Production Fund** offers funding at three levels, the two just described and another level in between that encourages the production of recordings of three or more songs to be used for promotional purposes or released for sale through any and all mediums.

MANITOBA FILM & SOUND provided \$240,331 to 41 sound recording projects, which included albums from **Floor Thirteen**, **The Nods**, **J.P. Hoe**, **Ray St. Germain** and **Jodi King**. Four projects were funded in the **Out-of-Province Recording Artists Fund**, a program aimed at encouraging production activity and business development in the Manitoba sound recording industry by providing re-payable financial support for recordings featuring non-Manitoba resident artists who record their projects in Manitoba.

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, On Screen Manitoba (formerly MMPIA); the Manitoba Audio Recording Industry Association (MARIA); the Winnipeg Film Group (WFG); Film Training Manitoba (FTM); the National Screen Institute (NSI); the National Film Board (NFB), the City of Winnipeg and local unions and guilds.



2005

BUFFALO GAL PICTURES BOASTS TWO MANITOBAN FEATURES AT SUNDANCE - SEVEN TIMES LUCKY AND SADDEST MUSIC IN THE WORLD



2006

FALCON BEACH, PRODUCED BY ORIGINAL PICTURES AND TORONTO'S INSIGHT PRODUCTIONS, MANITOBA'S FIRST PRIME TIME SERIES AIRS ON GLOBAL AND ABC FAMILY IN THE US



2006

WEST END CULTURAL CENTRE - LIVE MUSIC VENUE OF THE YEAR - WESTERN CANADIAN MUSIC AWARDS



2006

HEATHER BISHOP - INDUSTRY BUILDER AWARD - WESTERN CANADIAN MUSIC AWARDS



2006

THE DUHKS - ROOTS & TRADITIONAL ALBUM OF THE YEAR: GROUP (JUNO)



(Source: (ARAS & The JUNO Awards)

SPONSORSHIP

MANITOBA FILM & SOUND recognizes the importance of supporting Manitoba's motion picture and music organizations through sponsorship/partnership opportunities.

This year MANITOBA FILM & SOUND was pleased to provide sponsorship/partnership support to over 20 national and international industry events, including: the **Aboriginal Peoples Choice Music Awards**, **Musexpo 2007**, **First Weekend Club**, **Western Canadian Music Awards**,

Carole Vivier (MFS), Guy Maddin (Director, *My Winnipeg*), Jodi Lofchy, and Gail Asper at Toronto International Film Festival.



Toronto International Film Festival Manitoba Party invitation.

Market Series for Winnipeg Folk Festival, Le Festival des videastes du Manitoba, Le 100 Nons 40th Gala, Manitoba Night at the 2007 Cool Jazz Winnipeg Festival, Albert Lariviere at Dauphin CountryFest, and the Winnipeg International Film Festival.

Atlantic Film Festival, Canadian Screen Writing Awards, Gemini/Genie Awards 2007, Toronto International Film Festival 2007, and as partners in the Canadian Pavilion at Cannes International Film Festival, MIPCOM Television Market, Hong Kong Filmart, American Film Market in Los Angeles,

Pan-Western Mission to New York City and the International Film Festival in Berlin, where one of the highlights of the festival was the opening night screening at the Forum section of Guy Maddin's latest film, *My Winnipeg*, with Guy Maddin himself as the narrator. Nine hundred people attended the premiere, which was again sold out at its second screening the following night.

MANITOBA FILM & SOUND continues to support local events such as: **Winnipeg Aboriginal Film and Video Festival, Manito Abbee, Music in the**

INDUSTRY SUPPORT

MANITOBA FILM & SOUND supports industry organizations to assist with the development of the business skills and talents of emerging as well as established filmmakers and sound recording professionals. Among the organizations that receive industry support and/or targeted programming initiatives from MANITOBA FILM & SOUND are the **National Screen Institute, Winnipeg Film Group, CBC TV Manitoba, National Film Board of Canada**, as well as **On Screen Manitoba, and Manitoba Audio Recording Industry Association (MARIA)** through contributions to the **Aboriginal Music Initiative** and 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.



MANITOBA FILM & SOUND supported Cat Jahnke.

THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as policies, practices and processes in the Manitoba public sector.

Wrongdoing under the Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counseling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

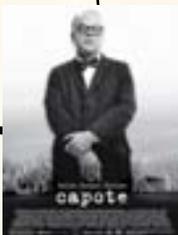
A disclosure made by an employee in good faith, in accordance with the Act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the Act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the Act, and must be reported in the Corporation's annual report in accordance with Section 18 of the Act.

MANITOBA FILM & SOUND did not receive any disclosures for the fiscal year ended March 31, 2008.

2006
BURNT - PROJECT
1 - ABORIGINAL
RECORDING OF THE
YEAR (JUNO)



2006
CAPOTE, A MADE IN
MANITOBA FEATURE,
SUPPORTED BY
MANITOBA FILM &
SOUND, WINS MANY
INTERNATIONAL AWARDS
INCLUDING AN OSCAR



2006
MIDCANADA PRODUCTION
SERVICES CELEBRATES
30 YEARS



2007
FRANTIC FILMS
CELEBRATES 10 YEARS



2007
MANITOBA BOASTS SEVEN
PRODUCTIONS SELECTED
FOR TIFF 2007 &
GUY MADDIN WINS TOP
HONOURS FOR CANADIAN
FEATURE WITH A CASH
PRIZE OF \$30,000
ATTACHED FOR *MY
WINNIPEG*.



2007
DOC WALKER - ALBUM
OF THE YEAR -
CANADIAN COUNTRY
MUSIC AWARDS



FILM AND TELEVISION INDUSTRY



In December 2007, Manitoba welcomed the filming of, **Chilled in Miami**, starring **Rene Zellweger** and **Harry Connick Jr.** and produced by **Gold Circle Films**. It was the second largest feature film, filmed in Manitoba, since **Shall We Dance**. In that month alone, Manitoba crews and suppliers were kept busy working on six various projects, simultaneously, including the mini-series, **Rough**, TV series **Less Than Kind**, pilot for TV series, **City Next Door**, and feature films, **High Life**, **The Hessen Affair** and **Chilled in Miami**. Facilitation of production of these projects at the same time demonstrates our incredible ability to accommodate growth in the film industry in Manitoba.



Minister Eric Robinson and Rene Zellweger on the set of *Chilled in Miami*.

GEMINI AND GENIE AWARDS

These award shows celebrate the best in Canadian film and television. Manitoba productions and professionals had **seventeen** nominations and took home **three** awards at the **22nd Annual Gemini Awards**. The winners from Manitoba were **Wapos Bay**, for **Best Children's or Youth Non-Fiction Program or Series**, **Recreating Eden (Seasons 3 & 4)**, that won for **Best Writing in an Information Program or Series** and **Peter Jordan's Grey Cup Adventure**, that won for **Best Sports Feature Segment**.

The Genie Awards saw actress **Molly Parker** nominated in the **Best Actress in a Leading Role** category for her role in the feature film, **Who Loves the Sun**, co-produced by **Brendan Sawatsky** and **Corey Mar r**.

FILM FESTIVALS, MARKETS AND MISSIONS

Seven Manitoba films were selected to screen at the **32nd Toronto International Film Festival (TIFF)** last fall, they were: **The Stone Angel**, based on the novel by **Margaret Laurence** and produced by **Liz Jarvis** of **Buffalo Gal Pictures** and **Kari Skogland**, who also directed the film; **Walk All Over Me**, co-produced by **Kyle Irving** of **Manitoba's**



Eagle Vision with **Carolyn McMaster** of **Chaos A Film Company** and **Colin Neale** of **Les Productions Colin Neale Inc.** and directed by **Robert Cuffley**. Screening in the festival's Special Presentation series was **Guy**



LeeLee Sobieski (Cast-Walk All Over Me), Kyle Irving, Tricia Helfer (Cast - Walk All Over Me), Carolyn McMaster, Michael Eklund (Cast-Walk All Over Me), Carole Vivier (MFS) and Colin Neale at the Manitoba party at TIFF.

Maddin's feature-length documentary **My Winnipeg** and **Noam Gonick's**, **Wildflowers of Manitoba**. TIFF's short film program, featured **Sean Garrity's**, **ReOrder**, **Deco Dawson's**, **The Last Moment**, and **Neil McInnes's**, **Automoto**. To celebrate all the Manitoba films and filmmakers, **MANITOBA FILM & SOUND** hosted a party with **On Screen Manitoba** at **TIFF** at the **Drake Hotel** that was packed to capacity with international filmmakers, distributors, financiers and industry professionals.

MARKETS/MISSIONS

MANITOBA FILM & SOUND traveled on marketing missions to **New York**, at the **Independent Film Market** which resulted in new projects in development with Manitoba companies and served to give Manitoba a strong presence with **East Coast** production. On the **West Coast**, **MANITOBA FILM & SOUND** attended **American Film Market** in **Santa Monica**, in which 29 meetings were held with various industry professionals; then co-hosted a private dinner in **Los Angeles** with **Premier Doer** and industry executives from **Gold Circle Films**, **Once Upon A Time Films**, **Rosemont Productions**, **Code Entertainment** and **Disney** to name a few. In **February**, **MANITOBA FILM & SOUND** took part in **Premier Doer's**



Tania Chambers (Executive Director of New South Wales Film Office in Sydney Australia), Carole Vivier (MFS), Cheryl Conway (New South Wales Film Office) in Australia as part of Premier Doer's Business Mission.



Network TEN Executive Chairman (Canwest Global Communications Corp.), Nick Falloon and Premier Doer in Australia.

Business Mission to **Australia** where meetings were scheduled with numerous production companies, broadcasters and distributors. Dinners, receptions and business briefings were attended with the **Governor**, **Premier** and **Deputy Premier** of **South Australia**, **The Department of Trade and Economic Development**, **The Australia Chamber of Commerce** and **Canwest Media Network**. **CEO** of **MANITOBA FILM & SOUND**, **Carole Vivier**, attended the **Red Carpet Premiere** of **The Capture of the Green River Killer**, **Lifetime Movie Network's** first mini-series directed by **Manitoban, Norma Bailey** in **Washington, DC** at the **Red Carpet Premiere**; then **MIPCOM** in **Cannes, France** where **MANITOBA FILM & SOUND** worked the **Canadian stand** and attended many meetings.

SOUND RECORDING INDUSTRY



Kevin Walters who was the MANITOBA FILM & SOUND Manager of Recording Sound Programs for 11 years left his position to pursue a lead role in organizing the 2010 Manitoba Homecoming. In November, MANITOBA FILM & SOUND welcomed Barbara Sedun, former Vice



MANITOBA FILM & SOUND staff at Kevin Walters' going away party at the King's Head. In back row: Sebastien Nasse, Ian Russell, Bridget Marten, Monique Ledehowski, Louise O'Brien-Moran, Paul Pedosiuk. In front: Melissa Kaminsky, Alexis Jones, Carole Vivier and Kevin Walters.

President Creative for EMI Music Publishing Canada in Toronto as the new Manager, Sound Recording Programs.

MUSIC FESTIVAL, CONFERENCES AND SHOWCASES

At **North by Northeast (NXNE)**, Canada's Music Festival in Toronto, thirteen Manitoba acts were showcased, including **Floor Thirteen**, **J.P. Hoe & The Truly Richards**, **Grand Analog**, **Mad Young Darlings**, **Red Blanket**, **Ann Walton**, **Boats**, **Jacob and Lily**, **Romi Mayes**, **Cat Jahnke**, **Domenica** and **The Details**. MANITOBA FILM & SOUND and MARIA co-hosted the 13th Annual BBQ, one of the most sought after invites at the conference. Over 250 people attended and it was an ideal opportunity for Manitobans to network with industry professionals from around the world.



MANITOBA FILM & SOUND supported group, Sick City.

MANITOBA FILM & SOUND, along with MARIA and Manitoba Trade attended **Musexpo**, an exclusive industry conference in Los Angeles where we co-hosted a luncheon showcase that featured Manitoba musicians **Keith and Renee** and **Paper Moon**. The evening showcase featured Manitoba acts **Sick City** and **Losing Focus** – both events were huge successes.

MANITOBA FILM & SOUND, MARIA and **North by Northeast** co-hosted a Canadian BBQ at **South by Southwest (SXSW)**, in Austin, Texas, in which over 400 guests attended and six Manitoba acts were showcased including **The Weakerthans**, **The Details**, **Grand Analog**, **Christine Fellows**, **The Perpetrators**, **Lindsay Jane** and **The Nods**.

MANITOBA FILM & SOUND took part in **MIDEM (The World's Music Market)** in Cannes that is attended by nearly 10,000 music and technology professionals from over 90 different countries. This past January, delegates from the recording, publishing, live, digital, mobile and branding sectors gathered to network, learn and research new talent. The Manitoba

contingency in attendance included representatives from **Manitoba Music**, **Balanced Records**, **Arbor Records** and **Manitoba Trade**. MANITOBA FILM & SOUND co-hosted a networking dinner with music supervisors from prominent music companies and Manitoba industry professionals that included: Aboriginal production company **Rising Sun Productions'** **Vince Fontaine**, Aboriginal label **Arbor Records'** founder **Brandon Friesen**, Ukrainian folk label **Olesia Records'** owner **Alexis Kochan**, **Cafesonique.com's** **Ron Lamoureux**, and electronic record label **Balanced Records'** co-founder, **Adam Hannibal**.

MUSIC AWARDS

MANITOBA FILM & SOUND would like to congratulate Manitoba musicians on a combined **124 nominations** and **30 wins** at various music award shows and events like:

JUNOS

Six nominations including MANITOBA FILM & SOUND supported, **Doc Walker** for **Country Recording of the Year** and **The Wailin' Jennys** for, **Firecracker**, for **Roots and Traditional Album of the Year (Group)**.



MANITOBA FILM & SOUND supported group, Doc Walker.

CANADIAN COUNTRY MUSIC AWARDS

Thirteen nominations and two wins including MANITOBA FILM & SOUND supported, **Doc Walker**, for **Album of the Year**.

INDIAN SUMMER MUSIC AWARDS

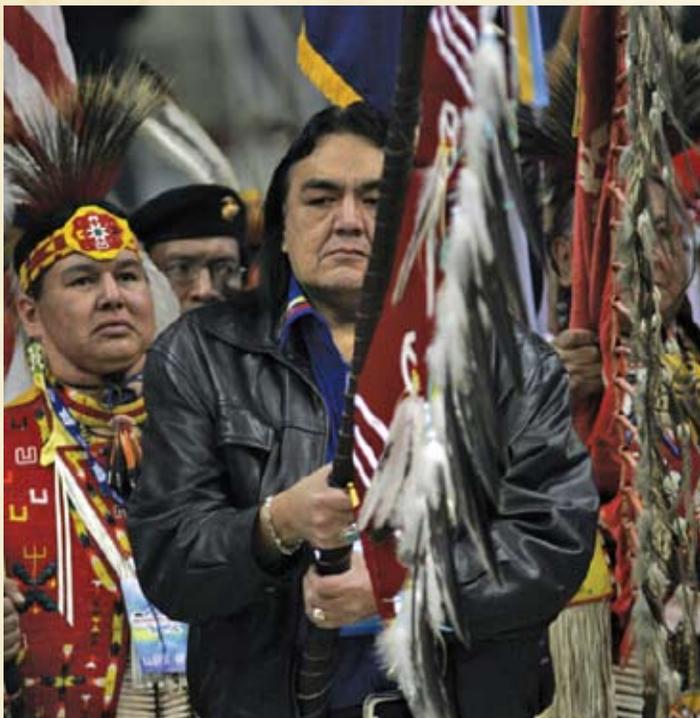
Five nominations, including MANITOBA FILM & SOUND supported, **J.C. Campbell** for **Alternative Rock**.

COVENANT AWARDS

Fourteen nominations and six wins for Manitoba musicians, including MANITOBA FILM & SOUND supported, **Steve Bell**, nominated for **Male Vocalist of the Year**, **Kerri Woelke** nominated for **Folk/Roots Album of the Year**, and a win for **Amanda Falk**, **Female Vocalist of the Year**.

WESTERN CANADIAN MUSIC AWARDS

Thirty-two nominations and 10 wins, including nominations for MANITOBA FILM & SOUND supported musicians like; **Comeback Kid**, for **Outstanding Rock Recording**, **Alexander Tselyakov** for **Outstanding Classical Recording**, **Kerri Woelke** for **Outstanding Christian Recording**, **Sheena Grobb** for **Outstanding Pop Recording**, **J.P. Hoe** for **Outstanding Pop Recording**, **Nathan** received three nominations for **Video of the Year**, **Outstanding Independent Album Award** and **Songwriters of the Year** and one win for **Outstanding Roots Recording-Duo/Group** and two wins for **Doc Walker** for **Outstanding Country Recording** and **Outstanding Independent Album Award**, a win for **Johnny Cajun** for **Outstanding Francophone Recording**, two wins for **Romi Mayes** for **Outstanding Roots Recording-Solo** and **Songwriter of the Year** and one win for **Fresh I.E.** for **Outstanding Christian Recording Award**.



Minister Robinson at Manito-Ahbee.

ABORIGINAL PEOPLE'S CHOICE MUSIC AWARDS

Thirty-three nominations and two wins, including one for MANITOBA FILM & SOUND supported, *Little Hawk* for the award, **Best Aboriginal Music by Non-Aboriginal**.

CANADIAN ABORIGINAL MUSIC AWARDS

Fourteen nominations and seven wins, including two for MANITOBA FILM & SOUND supported *Little Hawk* for **Best Folk Album** and **Best Producer**.

L.A. MUSIC AWARDS

One nomination and win for MANITOBA FILM & SOUND supported, *Floor Thirteen*.

CANADIAN FOLK MUSIC AWARDS

Five nominations, two of which were given to MANITOBA FILM & SOUND supported, *Nathan* for **Best Vocal Group** and **Best Songwriter(s) (English)**.

Source for Manitoba Music Award Information: MARIA

2008 advertisement reflecting Manitoba's locations and updated tax credit information to encourage film production in Manitoba.

MANITOBA
A REFRESHING EXPERIENCE

***Up to 65% tax credit**
Canada's most attractive tax credit

- *9.45% Basic Credit, a 10% Frequent Filming Bonus, plus 5% Rural Bonus and 5% Manitoba Producer Bonus.
- NO content requirements
- NO copyright ownership requirements
- NO co-production requirements
- NO funding caps per production or per production company
- NO caps on annual funds
- NO minimum or maximum budget requirements
- NO "first time producer" requirements

FOLK ALLIANCE AWARDS

One nomination for the **Emerging Artist** award, for MANITOBA FILM & SOUND supported duo, *Twilight Hotel*.

Source: Fiscal year 2007/2008 Manitoba musician statistics from MARIA.

MANITOBA FILM COMMISSION AND LOCATIONS DEPARTMENT

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



Still shot on location in Churchill, Manitoba for the MANITOBA FILM & SOUND supported film, *Rough*.

The diversity of Manitoba's locations and strength of its crews have always been key factors in bringing off-shore production to the province. Although most guest productions typically shoot the majority of their picture in Winnipeg, with its popular filming spots like the Exchange District, many rural Manitoba settings have become sought after locations. Production activity outside of Winnipeg has been reaching new levels with many productions in 2007/2008 shooting on location around the province.



Jenette Kahn, founding partner of Double Nickel Entertainment scouting with MFS in Birds Hill Park.

Some of the recently made productions to shoot in rural Manitoba include: **Chilled in Miami** (Selkirk), **The Haunting in Connecticut** (Teulon), **The Box Collector** (Carman) and **Rough** (Churchill).

The scouting activity in Manitoba increased once again from last year, with 56 various off-shore production personnel for 21 different productions visiting the province which represents an increase of 10% in productions and 22% in off-shore production personnel. The increase in production personnel reflects that companies with more complex projects are considering filming in Manitoba.

TAX CREDIT

Since the introduction of the Manitoba Film and Video Production Tax Credit in 1997, Manitoba's production activity has shown consistent increase. The Manitoba Tax Credit was introduced

as a means to provide an incentive to the private film and television production industry to create economic development and employment growth in the province. The increase in productions and cross market growth demonstrates the tax credit program is achieving its objectives.

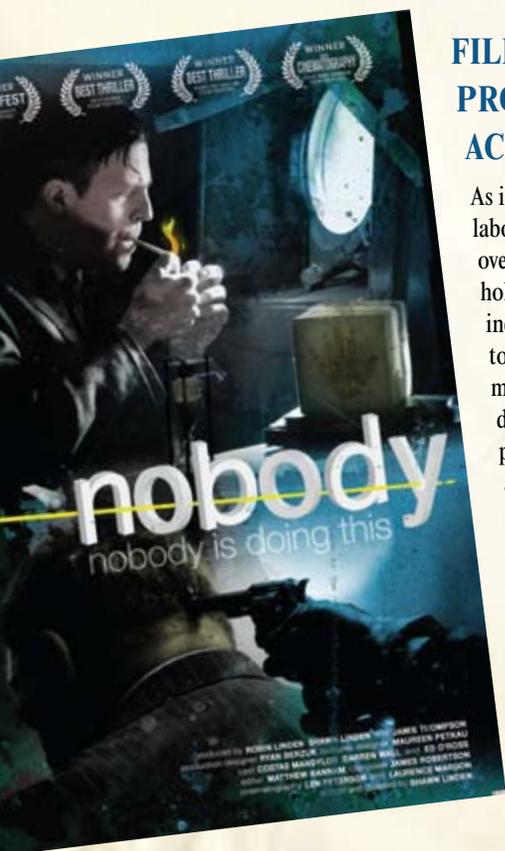
In 2008, The Government of Manitoba increased the value of the tax credit from 55% in 2007, to now providing a **rebate of up to 65%** on eligible Manitoba labour. The breakdown includes a **45% Base Credit**, and where eligible, a **10% Frequent Filming Bonus**, plus **5% Rural Bonus** and **5% Manitoba Producer Bonus**.

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

| TYPE | NUMBER OF PROJECTS | PROJECTED PRODUCTION BUDGETS |
|-----------------------------------|--------------------|------------------------------|
| Feature Films | 22 | \$105.7 million |
| TV Series | 6 | \$33.2 million |
| Movie of the Week, TV Specials | 14 | \$15.4 million |
| Documentary/ Doc.Series | 68 | \$40.9 million |
| TOTALS | 110 | \$195.2 million |

A total of 110 applications (both parts A & B) were in various stages of processing during the 2008 fiscal year representing approximately \$195.2 million in production activity.

PRODUCTION ACTIVITY

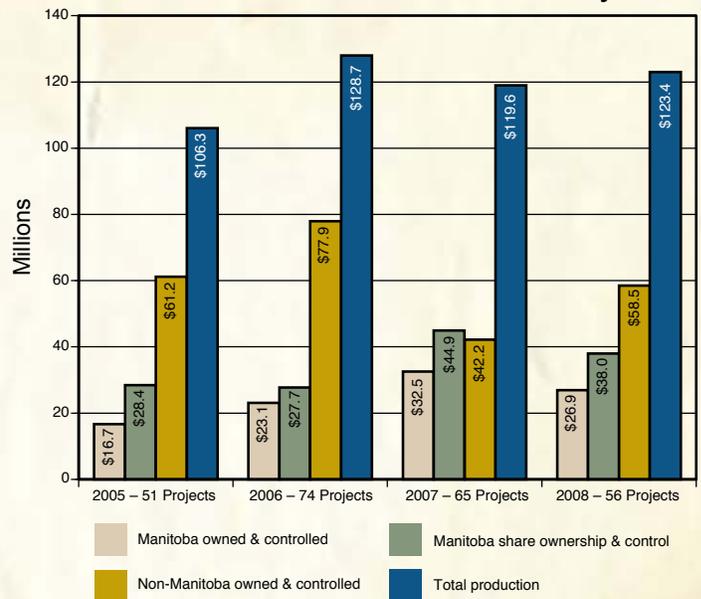


FILM & TELEVISION PRODUCTION ACTIVITY

As illustrated below, despite labour strikes, Manitoba's overall production continues to hold steady and saw an overall increase of 3% from 2007 with total production value at 123.4 million. While there were slight drops in indigenous and co-production activity, there was a major increase of 39% in foreign location productions.

Promotional poster for MANITOBA FILM & SOUND supported film, *Nobody*, directed by Shawn Linden.

Film & Television Production Activity

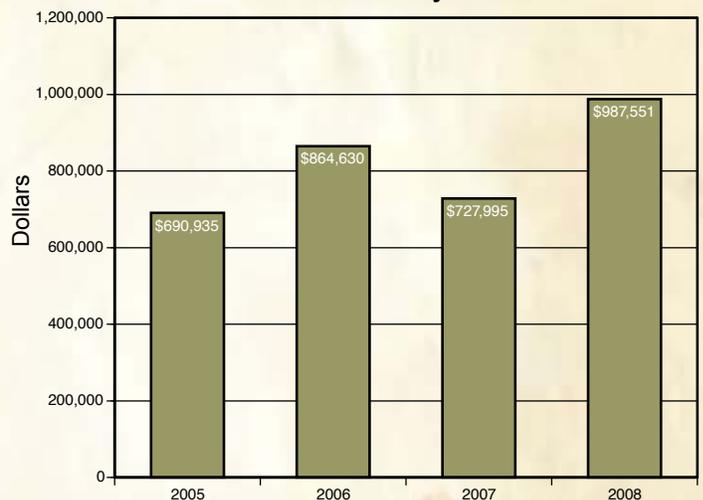


Note: These figures represent film and television production activity reported as at March 31, 2008. The final amounts reported from previous years may vary due to changes provided upon final reporting and these changes are reflected in this chart.

SOUND PRODUCTION ACTIVITY

Production budgets from **MANITOBA FILM & SOUND** reached a record breaking \$987,551, up 36% from 2007. The increase can be attributed to a higher volume of music videos/electronic press kit's in 2008.

Sound Production Activity



NOTE: Activity levels are based on sound production activity as at March 31, 2008. The final amounts reported from previous years may vary due to changes provided upon final reporting and these changes are reflected in this chart.

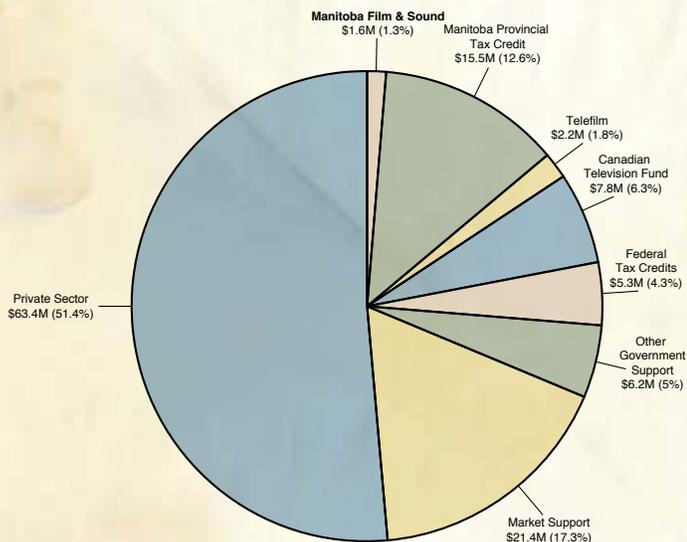


OTHER DOLLARS LEVERED

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 the Federal Government through Telefilm Canada, and Federal Tax Credits, plus the Canadian Television Fund and other market support including Broadcaster Licenses, Distributor Advances and the Private Sector (i.e. production company investment, deferrals, corporate sponsors and private investments).

As the following chart exhibits, with Manitoba's \$17.1 million (13.9%) in equity financing and estimated tax credit support, \$123.4 million in indigenous, co-production and foreign production activity occurred in fiscal 2008. This amount reflects \$106.3 million (89.1%) 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.



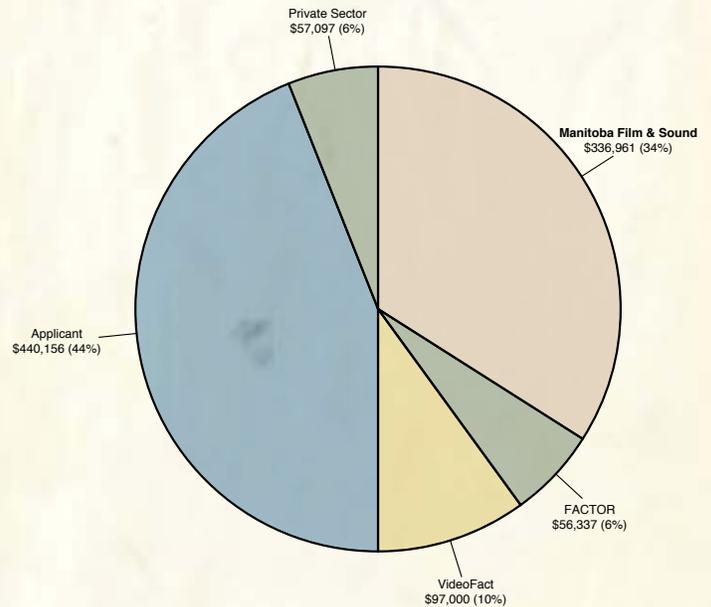
Source: Fiscal year 2008 film production activity of \$123.4 million is compiled from data provided in equity and tax credit applications submitted to **MANITOBA FILM & SOUND** as at March 31, 2008.



MANITOBA FILM & SOUND supported band, Comeback Kid.

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. With more and more Manitoba acts making a name for themselves on an international level, it is important that the funding support from **MANITOBA FILM & SOUND** remain relevant in the face of increased marketing and touring budgets.



Source: Fiscal year sound production activity of \$987,551 is compiled from data provided in CD, Demo and Music Video applications submitted to **MANITOBA FILM & SOUND** as at March 31, 2008.



MANITOBA FILM & SOUND supported musician, Wab Kinew.

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 guidelines with respect to the Sound Recording and Demo Recording Programs.

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

MANITOBA FILM & SOUND gives sincere thanks the following jurors who so generously gave their time:

DARCY ATAMAN
SAM BAARDMAN
JOHN BATIUK
MICHAEL BLATHERWICK
DAWN BOURBONNAIS
STEPHEN CARROLL
NEAL CORNISH
KATHY FENTON
RICK FENTON
VINCE FONTAINE
CORY FRAZER
GORD FRY
ALAN GREYEYES
JARRET HANNAH
REI HOTODA
JAYLENE JOHNSON
DARREN JOHNSTON
TODD JORDAN
JOHN KENDLE
SUSAN KREPART
GINETTE LAVACK
DOMINIQUE LLOYD
DEREK MCCURRISTER

GERRY MCIVOR
SEAN MCMANUS
JAMES MANISHEN
JOHN MARLOW
RAY MARTIN
ROMI MAYES
ART PEARSON
DALE PENNER
LLOYD PETERSON
JEAN-FRANCOIS PHANEUF
DARREN RAMSAY
ERROL RANVILLE
ROB ROUSSEAU
DANNY SCHUR
JACK SHAPIRA
DAVID SHERMAN
THOMAS SPARLING
SARA STASIUK
RACHEL STONE
KEVIN WALTERS
MIKE WARKENTIN
GLEN WILLOWS

FILM PROJECTS

FUNDED IN 2007/2008



MARKET DRIVEN TELEVISION PRODUCTION FINANCING PROGRAM AND MARKET DRIVEN FEATURE FILM PRODUCTION PROGRAM

The Television and Feature Film Production Programs assist 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 various criteria including their economic impact on Manitoba and are awarded bonuses for Community Development, Including Aboriginal, Métis and Francophone production companies, working with key creative positions, such as Manitoba writers and directors, and lastly for shooting in the winter months.

During fiscal year 2008, 16 new applications were approved for a total investment of \$1,634,807.

| Recipient | Project |
|---------------------------------------|------------------------------------|
| 5470294 Manitoba Inc. | The Sharing Circle Season 16 |
| Amreeka Productions Canada Inc. | Amreeka |
| Ballet Boys Inc. | Ballet High |
| Ballet Girls Inc. | Ballet Girls - Feature Documentary |
| Box Collector Pictures Inc. | The Box Collector |
| Buffalo Gal Pictures Inc. | The Hessen Affair |
| Buffalo Gal Pictures Inc. | Rough |
| Cherry Bomb Pictures Inc. | Wild Cherry |
| High Life Productions Manitoba Inc. | High Life |
| Kind Film Productions (Manitoba) Inc. | Less Than Kind |
| Les Productions Camille Inc. | Ben Voyons Camille! |
| Les Productions NM Inc. | Les Nouveaux Mondes |
| Les Productions Seulement Inc. | Pour un soir seulement |
| Nobody Productions Inc. | Nobody |
| Ronin Films Inc. | Snake River |
| Sensual Selves Productions Inc. | Science of the Senses (ep1-2) |



On location in Winnipeg, MANITOBA FILM & SOUND Supported film, *The Hessen Affair*.



Stephen Eric McIntyre and Timothy Olyphant star in MANITOBA FILM & SOUND supported film, *High Life*.

EMERGING TALENT MATCHING FUNDS

This program is designed to support entry-level filmmakers who have received production funding awards through a competitive process from



Judy Dougall in the MANITOBA FILM & SOUND supported film, *Infectious*.

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 fiscal year 2008, 5 applications were approved for a total investment of \$50,000.

| Recipient | Project |
|---|----------------------------------|
| Bunky Blum and the Talking Train Productions Inc. | Bunky Blum and the Talking Train |
| Kirby Hammond Productions Inc. | Sum of its Parts |
| Koshka Productions Inc. | Infectious |
| Matthew Rankin | The Call of the Cow |
| Winesto Films | Billy |



MANITOBA FILM & SOUND supported made for television film, *Ben voyans Camille*.

MANITOBA MUSIC AND MOTION PICTURES DEVELOPMENT PROJECTS PROGRAM

The Manitoba Music & Motion Pictures Development Project (M3P) programs are administered by On Screen Manitoba and supported with program assistance from MANITOBA FILM & SOUND.

The M3P programs administered by On Screen Manitoba in 2008 include the Access to Markets Program, the Professional Development Fund, the Marketing Plan Program and the Access to Festivals Program. In fiscal year 2008, MANITOBA FILM & SOUND committed \$40,000 to the MP3 programs administered by On Screen Manitoba.

MARKET DRIVEN FEATURE FILM DEVELOPMENT FINANCING PROGRAM AND MARKET DRIVEN TELEVISION DEVELOPMENT FINANCING PROGRAM

Through these programs, eligible applicants receive financial assistance for the development of viable motion picture concepts into screenplays for television and theatrical release. Financing under both of 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.

In fiscal year 2008, 12 applications were approved for a total investment of \$122,050.

| Recipient | Project |
|---------------------------------------|--|
| Bedbugs Films Inc. | The Kanmon Strait |
| Buffalo Gal Pictures Inc. | Commonwealth (La Comunidad) |
| Buffalo Gal Pictures Development Inc. | Kush Kush in the Bush: Bollywood Comes to the Trailer Park |
| Buffalo Gal Pictures Inc. | See the Child |
| Eagle Vision Inc. | Aboriginal Peoples History |
| Eagle Vision Inc. | Strange Love |
| Merit Motion Pictures Inc. | Famous Whores of History |
| Micro Bus Pictures Inc. | The Tribe |
| Nihilonaut Productions Inc. | Chroma |
| Numan Production Inc. | The Land Speeder |
| Picnic Communications Inc. | La sourate de Bois-brûlé |
| Savant Productions | Song for Africa Documentary |

FEATURE FILM MARKETING

This program assists productions/applicants with the promotion and marketing of feature film projects at time of theatrical release, festivals and markets to either enhance the promotion and marketing of the release



LeeLee Sobieski stars in MANITOBA FILM & SOUND supported film, *Walk All Over Me*.

theatrically and/or to attract the attention of distributors/sales agents to support the increase in commercial interest in the project. It is not the intention of the program to duplicate support in areas already covered under On Screen Manitoba's M3P Access to Markets, Access to Festivals, and Professional Marketing Fund, and as such does not apply to travel, accommodations, or per diems, and/or promotional or marketing activities covered under the Winnipeg Film Group's Marketing Fund. It is also intended to compliment not replace resources, financial and otherwise, committed by the distributors of the film.

In fiscal year 2008, 2 applications were approved for a total investment of \$7,162.

| Recipient | Project |
|--------------------------------|------------------|
| Stone Angel Manitoba Inc. | The Stone Angel |
| Walk All Over Me Manitoba Inc. | Walk All Over Me |



Christine Horne in MANITOBA FILM & SOUND supported film, *The Stone Angel*.

SOUND PROJECTS

FUNDED IN 2007/2008



As the sound recording industry is continually evolving, in fiscal year 2008, MANITOBA FILM & SOUND revised its sound recording program guidelines to better reflect the needs of Manitoba's emerging and established sound recording artists. The new **Sound Recording Production Fund** offers funding at three levels: **Level One** encourages the production of demo recordings of two or more songs to be used for calling card purposes. **Level Two** encourages the production of recordings of three or more songs to be used for promotional purposes or released for sale through any and all mediums. **Level Three** encourages the production of full length CD projects for commercial release.

In fiscal year 2008, 41 applications were approved for a total investment of \$ 240,331 for all levels.

SOUND RECORDING PRODUCTION LEVEL 1

| Recipient | Project |
|-----------------------------------|--------------------|
| 441 Studios Ltd. | Xplicit |
| Bedside Studios | Fenom |
| Burning Circus Productions | Mad Young Darlings |
| Burning Circus Productions | The Pap Smears |
| cbg Artist Development | Darrellyne Bickel |
| Daniel Roy | Daniel ROA |
| The Details | The Details |
| The Hangar Recording Studios | Jerry Sereda |
| Illegal Combatant Recordings | Greg Macpherson |
| Lion's Den | Matt Epp |
| Paquin Entertainment Group Inc. | Sierra Noble |
| Platinum/Gold Studios | Desiree Dorian |
| StudioSonix | Tim Butler |
| The Sublime Sonic Moment | Kasm |
| Unison Studios and Recording Inc. | Bryce Pallister |
| Unison Studios and Recording Inc. | Heather Longstaff |
| Unison Studios and Recording Inc. | The Morning After |
| Unison Studios and Recording Inc. | Sons Of York |

SOUND RECORDING PRODUCTION LEVEL 2

| Recipient | Project |
|-----------------------------------|--------------------|
| 441 Studios Ltd. | Jaylene Johnson |
| Burning Circus Productions | Ash Koley |
| cbg Artist Development | Darrellyne Bickel |
| Sheena Grobb | Sheena Grobb |
| Trois Petits Chats Music | Dominique Reynolds |
| Unison Studios and Recording Inc. | Matthew Patton |
| Unison Studios and Recording Inc. | Sons Of York |

SOUND RECORDING PRODUCTION LEVEL 3

| Recipient | Project |
|--|---|
| 441 Studios Ltd. | Dreadnaut |
| 441 Studios Ltd. | Floor Thirteen |
| Deborah Romeyn | Deborah Romeyn |
| Domenica Music | Domenica |
| Golomb Records | Alexander Tselyakov |
| Jodi King Music | Jodi King |
| J.P. Hoe | J.P. Hoe |
| Lives of Many | Lives of Many |
| Mammoth Junction Inc. | Harlequin - Waking The Jester |
| Manitoba Aboriginal Music Host Committee | Star Catcher: MB Aboriginal Talent Search |
| Naneek Of The North Music | Patrick Keenan |
| Ray St. Germain Productions Inc. | Ray St. Germain |
| Smallman Records | Comeback Kid |
| StrongFront A/V Productions Inc. | Wab Kinew |
| Unison Studios and Recording Inc. | Bryce Pallister |
| Unison Studios and Recording Inc. | The Nods - Static Pop |



MANITOBA FILM & SOUND supported musician, Sierra Noble.

OUT OF PROVINCE ARTIST SOUND RECORDING PROGRAM

The Out of Province Sound Recording Program is designed encourage to production activity and business development in the Manitoba sound recording industry by providing re-payable financial support for recordings featuring non-Manitoba resident artists.

In fiscal year 2008, 4 applications were approved for a total contribution of \$21,738.

| Recipient | Project |
|------------------------|------------------|
| Arbor Records Ltd. | Team Rezofficial |
| cbg Artist Development | Luke McMaster |
| cbg Artist Development | Sara Diamond |
| Smallman Records | Sylvie |

RECORDING ARTIST TOURING SUPPORT PROGRAM

The Recording Artists Touring Support Program assists 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.

In fiscal year 2008, 39 applications were approved for a total contribution of \$117,203.

| Recipient | Project |
|---------------------|--|
| The Afterbeat | The Afterbeat – Personals Ontario/MB Tour |
| Blue Case Tunes | Cara Luft - The Light Fantastic Ontario/Nova Scotia Tour |
| Blue Case Tunes | Cara Luft - The Light Fantastic UK Tour |
| Boats Music | Boats - Intercontinental Champion Ontario Tour |
| BURNTHE8TRACK | BURNTHE8TRACK - Fear of Falling Skies Western Canada Tour |
| BURNTHE8TRACK | BURNTHE8TRACK - Fear of Falling Skies Europe Tour |
| Castrati Music | The Nods - Static Pop Western Canada Tour |
| Castrati Music | The Nods - Static Pop November Western Canada Tour |
| Cat Jahnke | Cat Jahnke - None Of Those Things May Western Canada Tour |
| Cat Jahnke | Cat Jahnke - None Of Those Things July Western Canada Tour |
| Cat Jahnke | Cat Jahnke - None Of Those Things December Western Canada Tour |
| The Details | The Details - Draw Distance Draw A Border July Eastern Canada Tour |
| The Details | The Details - Draw Distance Draw A Border Fall Cross Canada Tour |
| Doc Walker Inc. | Doc Walker- Eastern Canada Tour |
| Easily Amused Music | Keith & Renee – Revolution Western Canada/ Northern US Tour |
| H2 Entertainment | Live On Arrival |
| Home Routes Inc. | Home Routes Inc. – Nathan Rogers Saskatchewan Tour |

RECORD PRODUCT MARKETING SUPPORT PROGRAM

This program provides support for the marketing and promotion of Manitoba sound recording products. Marketing support is available for sound recording products that meet Manitoba sound recording content requirements.

During the 2008 fiscal year, 22 applications were approved for a total contribution of \$94,170.

| Recipient | Project |
|---|--|
| 4500105 MB Ltd. D.B.A. Tin Foil Phoenix | Tin Foil Phoenix - Age Of Vipers |
| Balanced Records | Link Pins |
| Blue Case Tunes | Cara Luft - The Light fantastic |
| BURNTHE8TRACK | BURNTHE8TRACK - Fear of Falling Skies |
| Castrati Music | The Nods - Static Pop |
| The Details | The Details - Draw Distance Draw A Border |
| Easily Amused Music | Keith & Renee - Revolution |
| FASCADE@137DB | Fascade@137DB - Point To Point |
| Home Routes Inc. | Home Routes Inc. - Home Tours |
| James Keelaghan | James Keelaghan - Compadres |
| Johnny Cajun | Johnny Cajun |
| Mammoth Junction inc. | Harlequin - Waking The Jester |
| Ojiji Music | Little Hawk - Home And Native Land |
| The Paperbacks | The Paperbacks - An Illusion Against Death |
| Red Letter Music | Christine Fellows - Nevertheless |
| Signpost Music Ltd. | Steve Bell - Symphony Sessions |
| Smallman Records | Comeback Kid - Broadcasting 2007 |
| Smallman Records | Sick City - Nightlife |
| StrongFront A/V Productions Inc. | J.C. Campbell - Lazy James |
| Tele Music | Tele |
| Twilight Hotel Music | Twilight Hotel - Highway Prayer |
| Ya Ketchose | Ya Ketchose - Les Ombres Et Les Nuages |



MANITOBA FILM & SOUND supported musician, Ash Koley.

| | |
|------------------------------|--|
| James Keelaghan | James Keelaghan - UK Tour |
| Jaw | Jaw - "Swings Humans" American Tour 2007 |
| Jaylene Johnson Music | Jaylene Johnson - Finding Beautiful Western Canada Tour |
| Jodi King Music | Jodi King - Acoustic EP- Saskatchewan/Alberta Tour |
| J.P. Hoe | J.P. Hoe - Jann Arden Cross Canada Tour 2007 |
| Little Hawk | Little Hawk - Home And Native Land Tour |
| Lives of Many | Lives of Many - Until We Lay This To Rest Cross Canada Tour |
| Marshmal-O-Music | Amanda Falk |
| Nathan Music Co. | Nathan - Key Principles US Tour |
| The Paperbacks | The Paperbacks - An Illusion Against Death Western Canada Tour |
| Red Letter Music | Christine Fellows - Nevertheless Alberta/Toronto Tour |
| Red Letter Music | Christine Fellows - Nevertheless |
| Romi Mayes | Romi Mayes - Sweet Somethin' Steady European Tour |
| Signpost Music Ltd. | Kerri Woelke Western Canada Tour |
| Smallman Records | Sick City - Nightlife Cross Canada Tour |
| Smallman Records | Sick City - Nightlife US Tour |
| Smallman Records | Sights & Sounds Cross Canada Tour |
| Smallman Records | Sights & Sounds Eastern Canada Tour |
| Solace Fiction Inc | Jaw - Summer US Tour |
| Tin Foil Phoenix | Tin Foil Phoenix - Age Of Vipers Manitoba/Alberta Tour |
| Transistor 66 Record Company | Scott Nolan - American Hotel Western Canada and Toronto Tour |
| The Wailin Jennys | The Wailin' Jennys - Firecracker UK Scotland Tour |

MANITOBA FILM & SOUND supported group, Sights and Sounds.



MUSIC VIDEO FUND

The Music Video Fund 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 2008 fiscal year, 10 applications were approved for a total contribution of \$58,440.

| Recipient | Project |
|-----------------------------|------------------------------------|
| Blink Pictures Incorporated | Sick City - Nightlife |
| Blink Pictures Incorporated | The Waking Eyes - All Empires Fall |
| Endstop & Elsewhere | Tele |
| H2 Entertainment | Live On Arrival - Hello Goodbye |
| Mighty Kraken Films Inc. | Nathan -Key Principles |
| Mighty Kraken Films Inc. | The Weakerthans - Civil Twilight |
| Original Pictures Inc. | Fresh I.E. |
| Slo Coach Recordings | Grand Analog - Caligrafitti |
| Smallman Records | Sights & Sounds - Self Titled |
| Wab Kinew | Wab Kinew |

MARKET ACCESS PROGRAM

As a program of the M3P project, the Market Access Program is administered by MARIA and supported with program assistance from MANITOBA FILM & SOUND.

The aim of the program is to provide Manitoba artists and music industry professional with professional development opportunities by attending professionally organized music industry conferences, showcases and other related approved events.

In fiscal year 2008, MANITOBA FILM & SOUND committed \$30,000 to the Market Access Program.



MANITOBA FILM & SOUND supported musician, Jaylene Johnson.



MANITOBA FILM & SOUND supported musicians, Keith & Renee.

MANITOBA FILM & SOUND supported group, Sons of York.

Management's Responsibility

To the Board of Directors of MANITOBA FILM & 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
April 30, 2008

Auditors' Report

To the Board of Directors of MANITOBA FILM & SOUND Recording Development Corporation

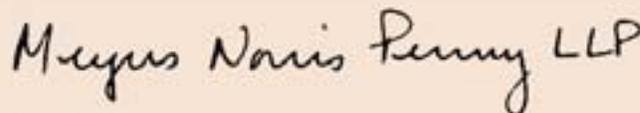
We have audited the balance sheet of MANITOBA FILM & SOUND Recording Development Corporation as at March 31, 2008 and the statements of revenues and expenses and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility 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 state-

ments. 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, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba, April 30, 2008



Chartered Accountants
April 30, 2008

Balance Sheet

| As at March 31, 2008 | 2008 | 2007 |
|---------------------------------|---------------------|---------------------|
| ASSETS | | |
| Current | | |
| Cash (Note 4) | \$ 1,877,711 | \$ 1,602,748 |
| Accounts receivable | 2,164 | 24,173 |
| Prepaid expenses | 28,788 | 21,600 |
| Inventory | 7,094 | 5,921 |
| | <u>1,915,757</u> | <u>1,654,442</u> |
| Capital Assets (Note 5) | <u>61,166</u> | <u>63,218</u> |
| | <u>\$ 1,976,923</u> | <u>\$ 1,717,660</u> |
| LIABILITIES | | |
| Current | | |
| Accounts payable | \$ 73,009 | \$ 46,631 |
| Deferred revenue (Note 6) | 41,500 | 149,000 |
| Carry-over commitments (Note 7) | 1,183,898 | 1,037,208 |
| | <u>\$ 1,298,407</u> | <u>\$ 1,232,839</u> |
| Net assets (Note 8) | | |
| Invested in capital assets | \$ 61,166 | \$ 63,218 |
| Unrestricted | 617,350 | 421,603 |
| | <u>678,516</u> | <u>484,821</u> |
| | <u>\$ 1,976,923</u> | <u>\$ 1,717,660</u> |

David Dandeneau

Director

Howler

Director

Statement of Revenues and Expenses and Net Assets

| For the year ended March 31, 2008 | 2008 | 2007 |
|---|---------------------|---------------------|
| REVENUE | | |
| Province of Manitoba funding | \$ 3,385,200 | \$ 3,173,700 |
| Interest income | 84,762 | 73,994 |
| Program recoupments | 382,671 | 167,766 |
| Other income | 9,998 | 17,220 |
| Total Revenues | \$ 3,862,631 | \$ 3,432,680 |
| EXPENSES | | |
| Film and Television Programs Funding | | |
| Development Financing Programs | \$ 122,050 | \$ 65,818 |
| Production Financing Programs | 1,634,807 | 1,509,345 |
| Access to Markets Program | 30,000 | 30,000 |
| Emerging Talent Matching Funds Program | 50,000 | 27,500 |
| Feature Film Marketing Program | 7,162 | - |
| Portfolio Investment Envelope Program | - | (30,000) |
| | \$ 1,844,019 | \$ 1,602,663 |
| SOUND PROGRAMS FUNDING | | |
| Sound Recording Production Fund Level I | \$ 33,796 | \$ 50,315 |
| Sound Recording Production Fund Level II | 41,100 | - |
| Sound Recording Production Fund Level III | 165,435 | 186,800 |
| Sound Recording Production Fund – Out of Province Artists | 21,738 | 20,000 |
| Music Video Fund | 58,440 | 24,000 |
| Record Product Marketing Support Fund | 94,170 | 78,643 |
| Recording Artist Touring Support Fund | 117,203 | 96,391 |
| Portfolio Investment Envelope Program | - | 6,000 |
| Market Access Fund | 30,000 | 30,000 |
| | \$ 561,882 | \$ 492,149 |
| INDUSTRY SUPPORT | | |
| Film | | |
| Industry Associations (Note 9) | \$ 87,000 | \$ 71,000 |
| Sponsorships/Partnerships | 47,219 | 70,018 |
| Sound Recording | | |
| Industry Associations (Note 9) | 75,000 | 75,000 |
| Sponsorships/Partnerships | 35,255 | 28,115 |
| | \$ 244,474 | \$ 244,133 |
| FILM COMMISSION/LOCATIONS SERVICES | | |
| | \$ 343,611 | \$ 321,237 |
| Programs Delivery (Note 11) | | |
| Salaries | \$ 332,613 | \$ 337,680 |
| Marketing/Operating | 149,605 | 77,002 |
| | \$ 482,218 | \$ 414,682 |
| Administrative Expenses | | |
| Salaries | \$ 107,951 | \$ 109,919 |
| Marketing/Operating | 84,781 | 76,616 |
| | \$ 192,732 | \$ 186,535 |
| Total Expenses | \$ 3,668,936 | \$ 3,261,399 |
| Excess of Revenues over Expenses | \$ 193,695 | \$ 171,281 |
| Net Assets, Beginning of Year | 484,821 | 313,540 |
| Net Assets, End of Year | \$ 678,516 | \$ 484,821 |

Statement of Cash Flows

| For the year ended March 31, 2008 | 2008 | 2007 |
|---|--------------|--------------|
| Cash Provided By (Used For) The Following Activities | | |
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenses | \$ 193,695 | \$ 171,281 |
| Amortization | 17,589 | 16,655 |
| | 211,284 | 187,936 |
| CHANGES IN WORKING CAPITAL ACCOUNTS | | |
| Accounts receivable | 22,009 | (11,095) |
| Carry-over commitments | 146,690 | (259,778) |
| Inventory | (1,173) | (2,872) |
| Prepaid expenses | (7,188) | (93) |
| Accounts payable | 26,378 | 3,953 |
| Deferred revenue | (107,500) | 4,000 |
| | 79,216 | (265,885) |
| | \$ 290,500 | \$ (77,949) |
| INVESTING ACTIVITIES | | |
| Purchases of capital assets | \$ (15,537) | \$ (14,437) |
| Increase (Decrease) in Cash Resources | 274,963 | (92,386) |
| Cash Resources, Beginning of Year | 1,602,748 | 1,695,134 |
| Cash Resources, End of Year | \$ 1,877,711 | \$ 1,602,748 |

Notes to Financial Statements For the year ended March 31, 2008

1. NATURE OF BUSINESS

Manitoba Film & Sound Recording Development Corporation (the “Corporation”) is a statutory corporation created by the Province of Manitoba through The Manitoba Film & Sound Recording Development Corporation Act. The chief objective of the Corporation is to foster growth of the Manitoba Film & 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.

Equipment

Equipment is 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 and sound recording 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 Recoupment - Any recovery of principal or return on investment of programs funded is recorded as program recoupment 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 equipment 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.

Financial instruments

Held for trading:

The Corporation has classified cash as held for trading. This instrument is initially recognized at fair value. Fair value is approximated by the instrument’s initial cost in a transaction between unrelated parties.

Held for trading financial instruments are subsequently measured at their fair value. Net gains and losses arising from changes in fair value are recognized immediately in income.

Loans and receivables:

The Corporation has classified accounts receivable as loans and receivables. These assets are initially recognized at their fair value. Fair value is approximated by the instrument’s initial cost in a transaction between unrelated parties.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Amortized cost is the amount at which the financial asset is measured at initial recognition less any reduction for impairment or uncollectibility. Net gains and losses arising from changes in fair value are recognized in net income upon impairment.

Other financial liabilities:

The Corporation has classified accounts payable as other financial liabilities. These liabilities are initially recorded at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Other financial liabilities are subsequently measured at amortized cost. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments. Net gains and losses arising from changes in fair value are recognized in net income upon derecognition.

3. CHANGE IN ACCOUNTING POLICIES

Financial Instruments

During 2007, the Corporation retroactively adopted new presentation and disclosure recommendations with respect to financial instruments. The adoption of the standard resulted in no change to the comparative financial statements.

4. CASH

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

5. CAPITAL ASSETS

| | 2008 | | | 2007 |
|------------------------|-------------------|--------------------------|------------------|------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Website/Database | \$ 33,290 | \$ 19,629 | \$ 13,661 | \$ 11,120 |
| Computer equipment | 87,139 | 75,308 | 11,831 | 13,151 |
| Furniture | 50,762 | 49,748 | 1,014 | 2,049 |
| Leasehold improvements | 53,700 | 21,206 | 32,494 | 35,137 |
| Equipment | 6,196 | 4,030 | 2,166 | 1,761 |
| | <u>\$ 231,087</u> | <u>\$ 169,921</u> | <u>\$ 61,166</u> | <u>\$ 63,218</u> |

6. DEFERRED REVENUE

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

| | 2008 | 2007 |
|---|------------------|-------------------|
| Sound Portfolio Investment Envelope Program | \$ 21,500 | \$ 51,500 |
| Film Portfolio Investment Envelope Program | 20,000 | 97,500 |
| | <u>\$ 41,500</u> | <u>\$ 149,000</u> |

7. CARRY-OVER COMMITMENTS

Due to lead times required to obtain all the resources necessary to complete film, video and sound recording 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, 2008 and prior years, which were not fully advanced as at March 31, 2008 are as follows:

| | Year of Commitment | | | Total | |
|---|---------------------|------------------|------------------|---------------------|---------------------|
| | 07/08 | 06/07 | Prior | 2008 | 2007 |
| FILM | | | | | |
| Development Financing Programs | \$ 82,010 | \$ 5,510 | \$ - | \$ 87,520 | \$ 29,839 |
| Production Financing Programs | 716,264 | 38,386 | 34,944 | 789,594 | 724,702 |
| Access to Markets Program | 3,000 | - | - | 3,000 | 3,000 |
| Emerging Talent Matching Funds | 9,000 | 2,750 | - | 11,750 | 8,050 |
| Feature Film Marketing Program | 7,162 | - | - | 7,162 | - |
| Portfolio Investment Envelope | - | - | 33,750 | 33,750 | 42,500 |
| Industry Support | 27,900 | 1,200 | - | 29,100 | 7,350 |
| | <u>\$ 845,336</u> | <u>\$ 47,846</u> | <u>\$ 68,694</u> | <u>\$ 961,876</u> | <u>\$ 815,441</u> |
| SOUND | | | | | |
| Sound Recording Production Fund - I | \$ 7,577 | \$ - | \$ - | \$ 7,577 | \$ 15,680 |
| Sound Recording Production Fund - II | 25,800 | - | - | 25,800 | - |
| Sound Recording Production Fund - III | 76,250 | 19,500 | 500 | 96,250 | 141,242 |
| Sound Recording – Out of Province Artists | 16,738 | 5,000 | - | 21,738 | 20,000 |
| Record Product Marketing Fund | 32,166 | 3,752 | - | 35,918 | 24,195 |
| Recording Artist Touring Fund | 4,839 | 1,400 | - | 6,239 | 8,650 |
| Music Video Fund | 16,500 | - | - | 16,500 | - |
| Portfolio Investment Envelope | - | - | 9,000 | 9,000 | 9,000 |
| Market Access Fund | 3,000 | - | - | 3,000 | 3,000 |
| | <u>\$ 182,870</u> | <u>\$ 29,652</u> | <u>\$ 9,500</u> | <u>\$ 222,022</u> | <u>\$ 221,767</u> |
| Total Commitments | <u>\$ 1,028,206</u> | <u>\$ 77,498</u> | <u>\$ 78,194</u> | <u>\$ 1,183,898</u> | <u>\$ 1,037,208</u> |

8. NET ASSETS

| | Invested in capital assets | Unrestricted | 2008 | 2007 |
|---|----------------------------|-------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 63,218 | \$ 421,603 | \$ 484,821 | \$ 313,540 |
| Excess (deficiency) of revenues over expenses | (17,589) | 211,284 | 193,695 | 171,281 |
| Investment in capital assets | 15,537 | (15,537) | - | - |
| Balance, end of year | <u>\$ 61,166</u> | <u>\$ 617,350</u> | <u>\$ 678,516</u> | <u>\$ 484,821</u> |

Unrestricted assets are comprised of current and prior years' project revenue recoupments that are allocated to future years' programming and program delivery budgets.

9. INDUSTRY ASSOCIATION SUPPORT

The Corporation indirectly supports the on-going development of creative talent, business skills and capacity building of various film, television and sound recording professionals by providing funding for specific programming administered by MARIA, On Screen Manitoba, the National Screen Institute Canada and the Winnipeg Film Group. Programs supported include the Aboriginal Music Program, Features First, Drama Prize, Totally Television, Global Marketing, New Voices, NSI Storytellers, Post-Production and Marketing funds.

10. LEASE COMMITMENTS

The Corporation occupies leased premises subject to minimum monthly rent of \$4,856 until August 2009 plus various equipment leases with quarterly payments until March 2012. Future minimum annual payments as are follows:

| | | | | | | | |
|------|--------|------|--------|------|-------|------|-------|
| 2009 | 66,389 | 2010 | 32,194 | 2011 | 7,305 | 2012 | 7,305 |
|------|--------|------|--------|------|-------|------|-------|

11. PROGRAMS DELIVERY

Programs delivery also includes the expenses associated with the delivery of the Manitoba Film & 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 110 applications were received for processing during the 2008 fiscal year (2007-86), representing in excess of \$195 million worth of production activity (2007 - \$191 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.

12. ECONOMIC DEPENDENCE

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