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Letter of Transmittal



August 31, 2013

*Honourable Flor Marcelino
Minister of Culture,
Heritage and Tourism*

Room 118, Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

In accordance with Section 16 of the Manitoba Film and Sound Recording Development Corporation Act, I have the honour of presenting the Annual Report of the Manitoba Film and Sound Recording Development Corporation for the fiscal year ended March 31, 2013.

Respectfully submitted,

Alana Langelotz
Chairperson



Musical performance at the
25th Anniversary Celebration

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 & Music** did not receive any disclosures for the fiscal year ending March 31, 2013.

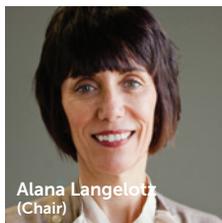
The Corporation

Manitoba Film and Sound Recording Development Corporation (**Manitoba Film & Music**) is a statutory corporation of government proclaimed under the Manitoba Film and Sound Recording Development Corporation Act funded by the Province of Manitoba through the Department of Culture, Heritage and Tourism. The management of **Manitoba Film & Music** (MFM) reports directly to the Board of Directors appointed by the Lieutenant Governor in Council.

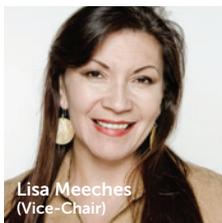
MFM supports Manitoba's music and screen-based industries through our objectives, which are to create, stimulate, employ and invest in Manitoba by developing and promoting Manitoba companies, as well as producing and marketing film, television, video and music recording projects. MFM also promotes Manitoba as a film location for international productions.

MFM exists so that our film and music industries flourish!

Board of Directors



Alana Langelottz
(Chair)



Lisa Meeches
(Vice-Chair)



Linda Allen



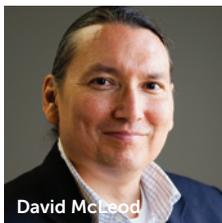
Heather Bishop



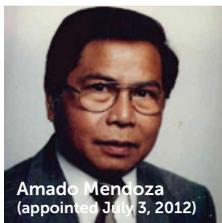
Diane Gray



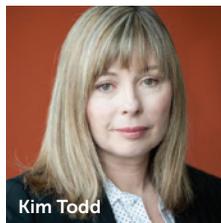
Kim Jasper



David McLeod



Amado Mendoza
(appointed July 3, 2012)



Kim Todd

Personnel



General:

Carole Vivier
Chief Executive Officer / Film
Commissioner

Kevin Gabriel
Manager of Finance &
Operations

Griffin Sokal
Administrative Assistant

Ginny Collins
Director of Communications
and Marketing

Film Program:

Louise O'Brien-Moran
Manager of Film Programs &
Location Services

Sebastien Nasse
Senior Analyst Film, Television
and Tax Credits

Brian Clasper
Development & Tax Credit
Analyst

Lauren Vogel
Location Services Coordinator
(since April 10, 2012)

Dianne Domaratzki
Location Services Coordinator
(until March 15, 2013)

Music Program:

Jason Smith
Manager of Music Programs

Bonnie Seidel
Music Programs
Administrative Assistant

Greetings from The Chairperson and Chief Executive Officer

On behalf of the **Manitoba Film & Music (MFM)** Board of Directors and staff, we are pleased to present the annual report for the fiscal year ending March 31, 2013.

This year marked MFM's 25th anniversary, as well as that of our close industry partners **On Screen Manitoba** and **Manitoba Music**. Looking at the strength and size of our film and music communities today, it's clear we have a lot to celebrate.

In 1987, we invested in our first feature film *Crime Wave*, which marked the beginning of a flourishing film industry that would go on to create Academy recognized films including *Capote*, *The Big Snit* and *The Assassination of Jesse James by the Coward Robert Ford*. Over the years, several Manitoba series including *Less Than Kind*, *Todd and the Book of Pure Evil* and *Falcon Beach* have broken ratings records and received national awards and recognition. In music, we have seen many of our artists go double, and even triple, platinum including *The Crash Test Dummies*, *The Watchmen* and *Chantal Kreviazuk* – who helped us celebrate our 25th Anniversary this year with a fundraising concert. Many of the past 25 years saw Manitoba artists take home Juno awards for their contributions to Canadian music. Next year, we will be further celebrating these contributions as we host the 2014 Juno Award in Winnipeg.

Today, Manitoba's film and music industries are more established and diverse than ever before. While our film community has a strong history with foreign co-production, now more than ever we are seeing the emergence of talented Manitoba directors, writers, producers and key crew creating their own successful projects. This year marked the release of *My Awkward Sexual Adventure*, a comedy that was written, directed and produced by Manitobans. The film played to sold-out audiences at the Toronto Film Festival, received a Canadian theatrical release and has now had its remake rights sold to several countries including Korea and France. Local director Shawn Linden's film *The Good Lie* also received a theatrical release this year and garnered positive national reviews. To promote these successes and many others, MFM partnered with **On Screen Manitoba** this year on the GET ON SET MANITOBA campaign – a public relations initiative that asks Manitobans to support local films, seek opportunities in the industry and stay informed.

Although Manitoba has always had an impressive music scene, the province now has more bands and musicians than ever before. Today, there are over 2,100 Manitoba-based acts representing over 4,000 individuals. In the past few years, our artists have dominated the Western Canadian Music Awards and held a very strong showing at the Junos. Local acts such as *Imaginary Cities*, *Royal Canoe*, *KEN Mode* and *Don Amero* are currently touring the world in support of their highly-successful albums. Winnipeg continues to be known as a hub for music and a place where musicians are fostered and supported.

Much of these successes in film and music can be attributed to the innovation and diversity of our local industry. Despite the obvious challenges presented by changes in digital technology and distribution, many of these challenges have been turned into opportunities. This year, *Buffalo Gal Pictures Inc.* partnered with *Entremedia Digital Films Inc.* to form *Opus Animation*. As part of the company's first animation project *Emma's Wings: A Bella*



Alana Langelotz
Chair



Carole Vivier
CEO

Sara Tale, 45 new jobs were created over the 44 week span of the project. Positions like these help attract people to Manitoba and allow the province to retain talented, creative workers. In music, MFM has remained ahead of the curve when it comes to ensuring our programs remain relevant to artists as the industry goes through monumental changes. Because of the global decrease in album sales, MFM now devotes more of its resources toward supporting musician tours.

Known for its diversity in the creative industries, Manitoba is also home to the largest Francophone production company outside Quebec (*Productions Rivard*), as well as one of Canada's leading Aboriginal production companies (*Eagle Vision Inc.*). In music, Manitoba's Aboriginal artists dominate the Aboriginal People's Choice Music Awards, as well as the Aboriginal categories at the Western Canadian Music Awards. This year, local Aboriginal artists *Don Amero* and *Burnt Project 1* were nominated for Junos. This diversity makes us unique as a cultural centre and appeals to a variety of audiences around Canada and around the world.

In addressing challenges and opportunities in the film and music industries, the staff and board of MFM worked together this year to create a strategic plan, which will take us to the year 2015. As part of the process, members of both industries were invited to share their thoughts on the future of film and music in our province and identify needs and gaps. This strategic plan gives us a road map for the next three years, as well as measurable results that will help us enhance our film and music industries even further.

In closing, we would like to take this opportunity to thank those who champion this industry and the work of **Manitoba Film & Music**. Thank you to the Government of Manitoba for their ongoing support. Thank you to Minister Flor Marcelino and Deputy Minister Cindy Stevens from the Department of Culture, Heritage and Tourism, as well as the Department of Finance and the Department of Competitiveness, Training and Trade.

Thank you as well to our partner organizations **On Screen Manitoba**, **Manitoba Music**, **Telefilm Canada**, the **National Screen Institute**, **Film Training Manitoba**, the **National Film Board of Canada** and the **Winnipeg Film Group** for your hard work and dedication to film and music in Manitoba.

We would also like to thank the staff of **Manitoba Film & Music** who give their time and passion to ensure that our film and music industries flourish. Your dedication makes all of this possible.

Alana Langelotz
Chair

Carole Vivier
CEO

Partnerships

The growth of Manitoba's film and music industries can only be achieved through collaboration and strong partnerships. **Manitoba Film & Music** connects with and supports several local and international initiatives to help create opportunities for Manitobans and Manitoba companies working in the film and music industries.

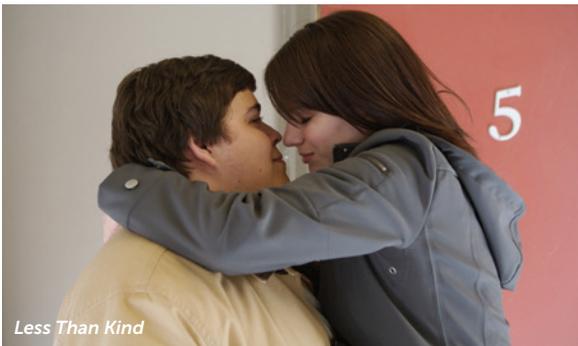
Festival du Voyageur



Imaginary Cities at Festival du Voyageur

In February 2013 **Manitoba Film & Music** partnered with **Le 100 Nons** to present a Manitoba showcase at Festival du Voyageur. Featured artists included Daniel ROA and Imaginary Cities, who played to a full-capacity crowd at the festival. Over 30 local acts were featured in the Festival du Voyageur line up this year.

The Canadian Screen Awards



Less Than Kind

Manitoba Film & Music was a sponsor of this year's Canadian Screen Awards – the first annual amalgamation of the Gemini and Genie Awards. Manitoba projects were nominated for a total of 36 awards and took home; Best Comedy Program or Series, Best Performance by an Actress in a Continuing Leading Comedic Role, Best Picture Editing in a Comedy, Variety or Performing Arts Program or Series and Best Writing in a Comedy Program or Series for *Less Than Kind*; Best Direction in a Documentary Feature for *Smarty Plants*; Best Sound in a Comedy, Variety or Performing Arts Program or Series and Best Achievement in Casting for *Todd and the Book of Pure Evil*.

Local events supported by Manitoba Film & Music include:

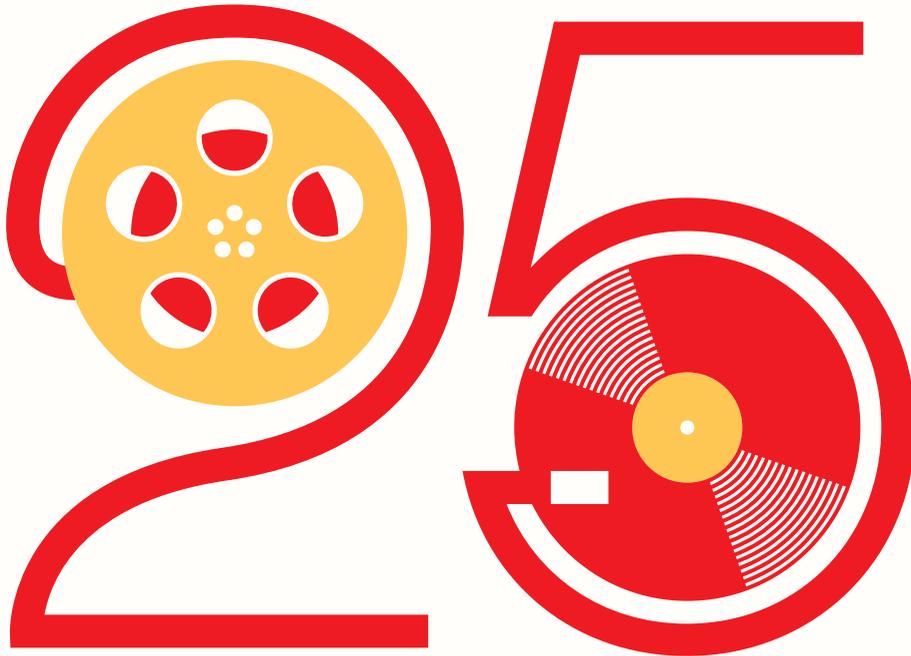
- ACTRA Manitoba Awards
- Festival du Voyageur
- Gimli Film Festival
- Gimmie Some Truth Documentary Festival
- Jazz Fest (TD Winnipeg International Jazz Festival)
- Les Découverts (**Le 100 Nons**)
- Manito Ahbee
- Manitoba Music Rocks Charity Curling Bonspiel
- On Screen Manitoba's All Access
- We Were Children Screening
- Winnipeg Aboriginal Film Festival
- Winnipeg Folk Festival

National and International events supported by Manitoba Film & Music include:

- American Film Market
- Berlinale (Berlin International Film Festival)
- Canadian Screen Awards
- Cannes International Film Festival
- MIPCOM
- Prime Time Ottawa
- Breakout West

MFM also supports related industry organizations to assist with development of business skills, corporate capacity and the talents of developing and established filmmakers and music recording professionals. Among the organizations that receive support are the **National Screen Institute**, the **Winnipeg Film Group**, as well as **On Screen Manitoba** and **Manitoba Music** through contributions to the Manitoba Music and Motion Pictures Development Project, known as the M3P Program. MFM also supported **Manitoba Music's** initiatives at Reeperbahn, the Great Escape and other showcase opportunities through the music marketing program.

Celebrating



YEARS • ANS

In September of 2012 Manitoba Film & Music (MFM) kicked-off a year of celebration to mark our 25th anniversary. A number of events and initiatives were coordinated through partnerships to commemorate the impact film and music have had in our province in the past quarter-century.





25th Anniversary Reception

MFM and **On Screen Manitoba**, with the help of **Manitoba Music** and **Le 100 Nons**, welcomed over 250 members of the cultural industries to a 25th Anniversary Celebration at the centre-culturel franco-manitobain on November 10, 2012. The reception featured film installations by local filmmakers Deco Dawson, Heidi Phillips, Paula Kelly, Dominique Rey, Greg Hanec, Kevin Lee Burton and Noam Gonick. Live music for the evening was provided by The Solutions, Larry Roy Trio and DJ Grant Paley. All proceeds from the event were donated to PAL Winnipeg – a charity that provides housing and support services for older members of the cultural industries.

MFM Commemorative Necklace

MFM worked with local jewelry designer Hilary Druxman to create a necklace in commemoration of our 25th anniversary. The necklace features three interlocked sterling silver rings that represent the fusion of Creativity, Consciousness and Connections; the elements that an artist brings to life through their passion and commitment to film and music. All proceeds from the sale of the necklace are being donated to PAL Winnipeg. A very big thanks to Hilary Druxman for a generous donation of her time and product.

MFM Presents Chantal Kreviazuk

On April 12, 2013 MFM partnered with the West End Cultural Centre to present 'An Evening with Chantal Kreviazuk', an intimate concert in celebration of the 25th anniversaries of both organizations. The event welcomed over 300 Manitobans to the West End Cultural Centre in support of charity. Local musician JP Hoe also performed as the opening act for Kreviazuk. Proceeds from the event were donated to The Unison Benevolent Fund and the West End Cultural Centre's community programming.



25th Anniversary Newspaper Insert

To engage the public in celebrating 25 years of film and television in Manitoba, MFM and **On Screen Manitoba** collaborated on the creation of a newspaper insert for the Winnipeg Free Press and La Liberté newspapers. The insert featured a timeline of film in Manitoba, an overview of the industry and a 'Did You Know?' section of fun facts.





“On projects large or small, MFM has provided not only financial assistance but also expertise and guidance. MFM’s support of the indigenous film, television and music industries in Manitoba have been integral to our continued growth.”

– *Brendon Sawatsky*

Inferno Pictures



transvideo

Film & Television in Manitoba



On the set of *Reasonable Doubt* with Samuel L. Jackson



We exist so that Manitoba's film and television industries flourish! We do this by developing and promoting Manitoba companies, supporting the production and marketing of film and television projects, as well as promoting Manitoba as a film location to offshore production companies. Our objectives are to enhance Manitoba's audio-visual industries, thereby increasing employment and stimulating business for local service providers.

MFM is a long-standing member of the **Association of Film Commissioners International (AFCI)**. In addition to administering film programs and tax credit incentives, MFM 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 services. MFM staff attend film markets to attract co-production and off-shore productions that contribute millions to our local economy. MFM has helped to attract such films and television programs as *Cry Fly*, *Deserted Cities*, *Reasonable Doubt*, *Goon*, *The Assassination of Jesse James by the Coward Robert Ford*, *Capote*, *Todd and the Book of Pure Evil* and many others. MFM also invests in local projects such as *Less Than Kind*, *Cashing In*, *My Awkward Sexual Adventure* and others.



Over the past ten years, Manitoba has seen approximately \$1 billion in local production, over half of which has been spent in the province on salaries, services and supplies. Out of this \$1 billion, our province has contributed approximately 15% through investments and tax credit incentives. This past fiscal year, an investment of just over \$22 million in MFM investment and tax credits supported nearly \$94 million in production budgets. MFM alone contributed nearly \$2.4 million to the industry in the form of equity investments, grants, sponsorship and market access funds.

The vast majority of production dollars are spent in the province on employment, infrastructure and services. In more ways than one, the film and television industries are economically and culturally good for Manitoba.

This year, MFM invested equity and/or tax credits in 9 feature films, 24 television series, and 32 other projects including shorts, pilots and television specials. Out of these 65 projects, 33 were documentaries. This year MFM also received 88 scripts, provided 33 marketing packages and scouted for 11 projects for Manitoba co-production.

In the Spotlight

Get on Set Manitoba



This year, MFM partnered with **On Screen Manitoba** on a campaign inviting Manitobans to take part in their local film and television industry. **GET ON SET MANITOBA** provides a platform for people to find out about local productions, look for opportunities in the industry and get more informed about the role of film and television in the province overall. The campaign includes the creation of a website, an active social media campaign, the distribution of public service announcements in Winnipeg's Silver City movie theatres, advertising in local newspapers, a speaker series, and more! Visit getonsetmanitoba.ca for details.

Our Films in Theatres

Two Manitoba films received a theatrical release this year, reaching audiences in Canada and around the world. *My Awkward Sexual Adventure*, created by Manitobans Jonas Chernick (writer/actor/producer), Sean Garrity (director) and Juliette Hagopian (producer) played in theatres across Canada and was available to American audience through video on demand – becoming one of the top ten downloads on the week it was released. The remake rights to the film have also been sold to several countries including France, Lithuania and Korea. Another film to hit theatres this year was *The Good Lie*, written and directed by Manitoban Shawn Linden. The film, which is a thriller framed within the context of shocking campfire tales, played in several cities across the country.

Manitoba: An International Hub



This fiscal year, film projects from all corners of the globe came to shoot in the province, partner with local producers and employ Manitoba artists. Manitoba saw productions from Mexico (*Deserted Cities* starring Gael García Bernal), Spain (*Cry Fly* starring Jennifer Connelly), as well as Korea and France (*Teo the Little Bus* – animation voice over). Locally-shot projects originating from the United States this year included *Reasonable Doubt* (starring Samuel L. Jackson) and *American Girl: Alberta*.

We're Animated

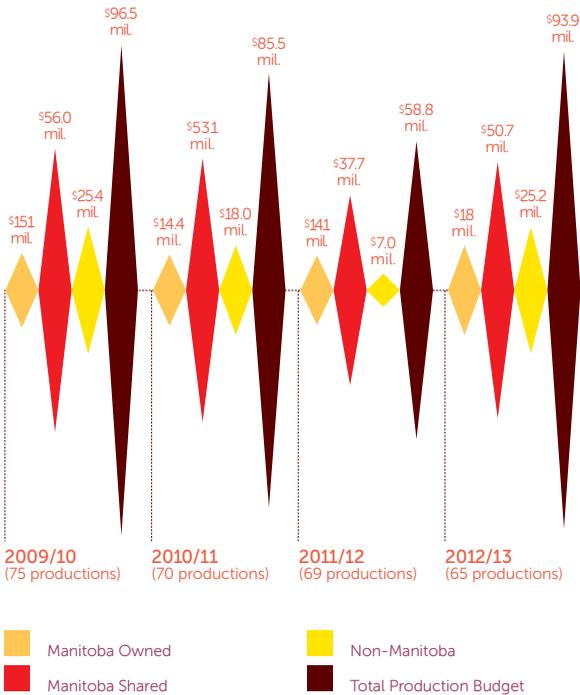
This year, Opus Visual Effects and Buffalo Gal Pictures announced the opening of an animation studio in Winnipeg called Opus Animation. Their first project *Emma's Wings: A Bella Sara Tale* is a co-production between Buffalo Gal Pictures, Opus Visual Effects and Entremedia Digital Films. For the 44 week duration of the project, 45 positions were created in the province – with nearly all of these jobs being filled by Manitobans. This exciting media industry expansion is a clear demonstration of how the Manitoba government's support for our province's motion picture industry has facilitated the growth of local production companies and provided employment in a new realm.



On the set of *Reasonable Doubt*
(From left) Kyle Irving, Carole Vivier, Minister Flor Marcellino, Louise O'Brien-Moran, Minister Eric Robinson, Silvio Muralgio

Film & Television Production Activity

The total production volume in fiscal 2012/2013 was \$93.9 million.



Note: These figures represent film and television production activity reported as of fiscal year ending March 31, 2013. The final amounts reported from previous years may vary due to changes provided upon final reporting and these changes are reflected in this chart.

Tax Credit

Along with Manitoba Film & Music's equity financing, The Manitoba Film and Video Production Tax Credit is essential in attracting production to the province. Manitoba's tax credits are a key element in our ability to continue to create local employment opportunities and attract significant economic investment to the province.

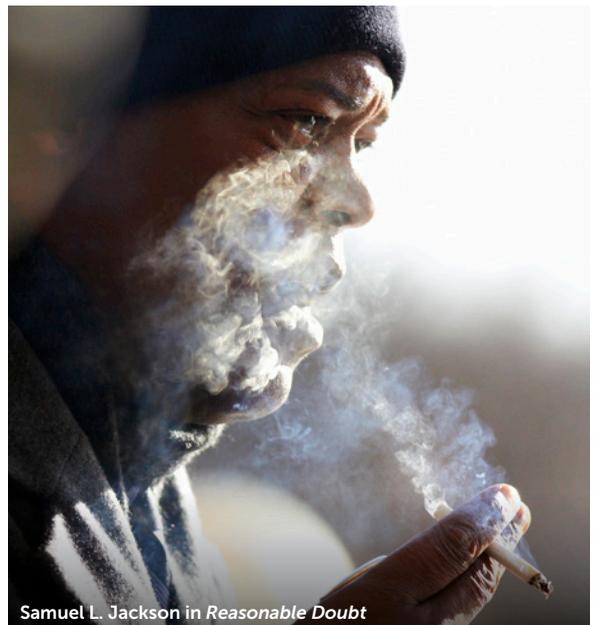
The Manitoba Film and Video Tax Credits provides a **rebate of up-to 65%** on eligible Manitoba labour or **30% on eligible local expenditures**. The up-to 65% tax credit is comprised of a **45% Base Credit**, and several potential bonuses including a **10% Frequent Filming Bonus**, plus **5% Rural Bonus** and **5% Manitoba Producer Bonus**. Producers have the option to use this incentive, or opt for a **30% tax credit on all eligible local expenditures**.

A total of 165 applications were received for 127 projects during the fiscal year. This represents production activity for projects which took place in the **current and prior years**, in excess of \$149 million.

Tax Credit Applications Filed in This Fiscal Year

	No. of Projects	Projected Prod Budgets (in Millions)
Feature Films	21	\$61.8
TV Series/Mini-Series	43	\$68.7
One-offs	51	\$6.3
Other	12	\$12.9
Totals	127	\$149.7

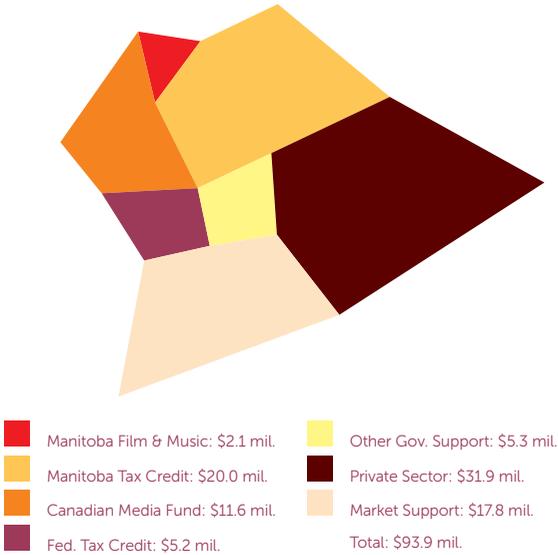
Note: The above figures do not reflect productions filmed only in the 2012/2013 fiscal year, only those filed in the fiscal year.



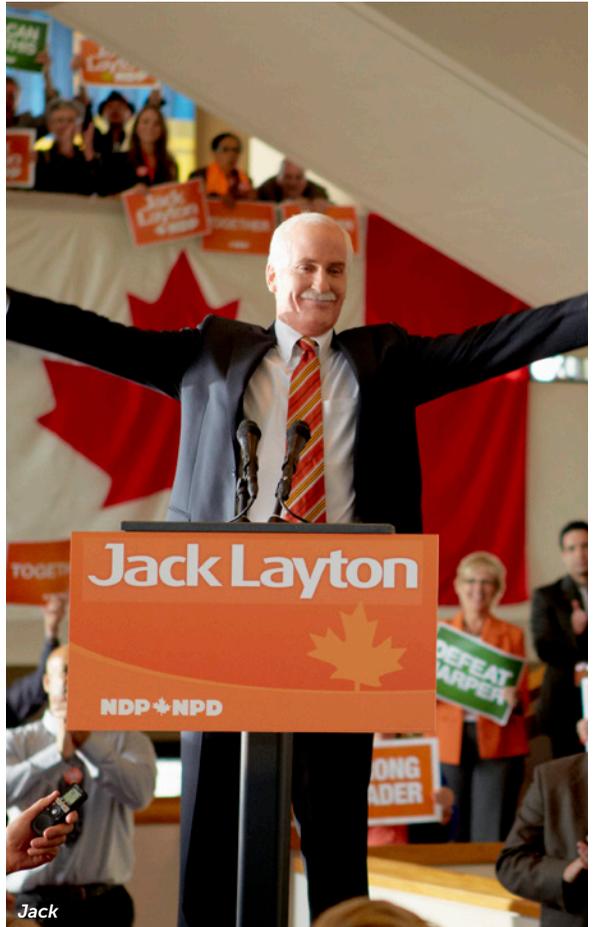
Film – Other Dollars Leveraged

Financing of independent productions requires financial investment from several sources internationally. **Manitoba Film & Music's** equity commitment to a project will often trigger other investors to participate. Other than funds from MFM and one of the Manitoba Provincial Tax Credits, other sources for production financing investments come from the Canada Media Fund, **Telefilm Canada**, national and international market support (broadcaster licenses, distribution advances), federal and other government support and tax credits, and private sector (i.e. production company investment, deferrals, private investments, private funds, private investors, and lenders for loans and gap financing).

The following chart is based on \$93.9 million in production.



Source: Fiscal year 2012/2013 film production activity of \$93.9 million is compiled from data provided in equity and tax credit applications submitted to **Manitoba Film & Music** as of March 31, 2013.



Mr. Hockey

American Girl: Alberta

Film & Television Projects Supported

Television and Web-Based Production Fund and Feature Film Production Fund

These programs assist in the production financing of fully developed feature film, television, or web-based projects through equity investments. The projects are reviewed based on their economic impact in Manitoba and are awarded bonuses for diversity in culture and language, the inclusion of Manitobans in key creative positions, and for shooting in the winter months.

During the fiscal year, 12 new applications were approved for a total investment of \$2,067,000.

Project	Applicant
A Twist of Lyme	Tick Films Inc.
American Girl: Alberta	Berta Productions Inc.
Ciudades Desiertas (Deserted Cities)	Buffalo Gal Pictures Inc.
Cry Fly	Cry Fly Manitoba Inc.
Emma's Wings: A Bella Sara Tale	Magical Horses Inc.
Layla & Jen	Leilah & Jen MB Productions Inc.
Less Than Kind – Season IV	Kind 4 Film Productions (Manitoba) Inc.
Mr. Hockey	Number Nine (MB) Productions Inc.
Pour Un Soir Seulement VII	Les Productions Pour Un Soir VII Inc.
Reasonable Doubt	Reasonable Doubt Productions MB Inc.
Jack	Smilin' Jack Movie Manitoba Inc.
Winnipeg Comedy Festival 2012	WCF 2012 Productions Inc.



Mr. Hockey

Feature Film Development Fund and Television and Web-Based Development Fund

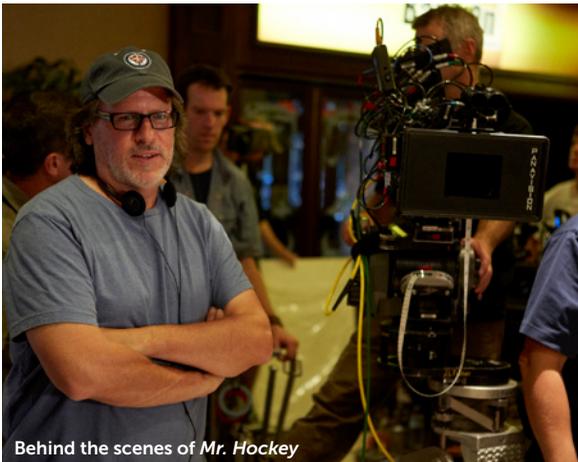
Through these programs, eligible applicants may receive financial assistance for the development of viable motion picture concepts into screenplays for television, the Internet and theatrical release. Financing under both of these programs takes the form of non-interest bearing recoupable loans and is committed according to phases, depending on the program. Should the project qualify for production financing, the development loan can be converted into an equity investment.

During the fiscal year, 15 applications were approved for a total investment of \$105,367.

Project	Applicant
Borealis	Buffalo Gal Pictures Inc.
Garage Sale	Inferno Pictures Inc.
Great White Bears	Eagle Vision Inc.
HGF – Shorts to Features Program	Harold Greenberg Fund
Jagged Winter	Eagle Vision Inc.
Kahneetah Mow-wi-nay-i-kay-chik	Kistikan Pictures Inc.
Le Mystère Hemon	Les Productions Rivard Inc.
Lifting Cars and Seeing Through Walls	Eagle Vision Inc.
Lovesick	Eagle Vision Inc.
Made in Italy	Buffalo Gal Pictures Development Inc.
One Blood	Inferno Pictures Inc.
The Architect of Canadian Rock n' Roll	Farpoint Films Inc.
The Dwelling	Eagle Vision Inc.
The Prairie Bridesmaid	Eagle Vision Inc.
Through Black Spruce	Buffalo Gal Pictures Development Inc.



My Awkward Sexual Adventure

Behind the scenes of *Mr. Hockey**Chasing A Song*

Pitch Readiness Program For Multi-Episode Productions (Pre-Market Development)

This program assists producers of multi-episode productions who have not yet obtained broadcaster or distributor financial support to prepare the strongest pitch presentations possible. The assistance takes the form of recoupable loans.

During the fiscal year, 1 application was approved for a total investment of \$980.

Project	Applicant
Free Radicals	OP Development Inc.

Grant Program For Emerging Talent And Micro-Budget Production

This program is designed to support two streams of micro-budget productions:

- 1) Entry-level filmmakers who have received production funding awards through a competitive, juried process from a recognized industry organization (ex. Telefilm, NSI, Manitoba Arts Council). These projects are not normally destined for theatrical distribution or primetime television exhibition; and
- 2) Producers of factual or scripted programming for projects with micro-budgets that do not exceed \$100,000 and who have received a cash license or a distribution advance from an industry-recognized third-party distributor.

During the fiscal year, 2 applications were approved for a total investment of \$12,686.

Project	Applicant
Chasing a Song	Konofilm Productions Inc.
Red Road Lodge	Juliette Productions Inc.

*Mad Ship*

Feature Film Marketing Fund

This program assists eligible applicants with the promotion and marketing of feature film projects at time of theatrical release and at festivals and markets to either enhance the promotion and marketing of the release theatrically and/or to attract the attention of distributors/sales agents and increase the commercial interest in the project. It is intended to compliment resources, financial and otherwise, committed by the distributor of the film.

During the fiscal year, 3 applications for 2 projects were approved for a total investment of \$10,659.

Project	Applicant
Mad Ship	Mad Ship Manitoba Inc.
My Awkward Sexual Adventure	Kosher Sexy Films Inc.

A photograph of a musician performing on stage. The musician is wearing a blue and white patterned shirt and is holding a microphone. The background is dark with some stage lights. The text is overlaid on the image.

“This investment in the future of our band has helped build Royal Canoe into a viable business and has brought our Manitoban-born music around the world.”

– *Bucky Dreidger*

Manitoba band Royal Canoe



Music in Manitoba

MFM exists so Manitoba's music industry flourishes! We do this by offering a series of music funding programs to help enhance the province's impressive music scene. MFM also attends and supports a variety of music festivals, conferences and showcases to effectively market Manitoba artists and create business networking opportunities.

This year, MFM provided \$716,000 in funding toward 179 music projects- making our investment the key element of support to Manitoba's emerging and established musicians. Projects are funded through the Music Recording Production Fund (Levels 1, 2 and 3), the Recording Artist Touring Support Program, the Record Marketing Support Program, the Music Video Fund and the Music Recording Production Fund for Out-of-Province Artists. MFM also provides funding to **Manitoba Music**, who administers the Market Access and Aboriginal Music Programs.

Applications to MFM's music recording programs are evaluated through a juried process. Music recording proposals must be unanimously recommended for funding by a minimum of two juries. Juries are made up of local music industry professionals specializing in a specific genre of music. They may include producers, broadcasters, managers, label owners or representatives, artists, songwriters, media, and retailers.

Applications to the Record Product Marketing Fund, the Music Video Fund and the Recording Artists Touring Support Fund are evaluated by MFM based on project development plans, artist tracks records, touring schedules, strength of support team and potential for business growth.

Manitoba Film & Music sincerely thanks all of the jurors who so generously give their time.



In The Spotlight

Junos Coming to Winnipeg

On October 4, 2012 the Canadian Academy of Recording Arts and Sciences officially announced that Winnipeg would host the 2014 Junos Awards! The 43rd annual awards celebrations will begin on March 24 of that year, culminating in the awards show March 30, 2014 at the MTS Centre in downtown Winnipeg. MFM's CEO Carole Vivier and the City of Winnipeg's Film & Special Events Manager Kenny Boyce are co-chairing the Winnipeg Juno Host Committee, which has adopted the slogan *We Speak Music* to commemorate the 2014 awards. Winnipeg last hosted the Junos in 2005.

Manitoba's Aboriginal Artists

Our province's Aboriginal artists received accolades from across the country this year. Two of Manitoba's three Juno nominees were Aboriginal artists; Don Amero and Burnt Project 1. Our artists also dominated the Aboriginal Peoples Choice Music Awards (APCMAs), taking home five trophies for Indian City, Don Amero, Tracy Bone and Bruthers of Different Muthers (BODM), who won two awards. Manitobans were nominated for a total of 27 APCMAs. Indian City also won Aboriginal Recording of the Year at the Western Canadian Music Awards for their debut single *Supernation*.

Strongest Industry in the West

Manitoba's music industry continued its winning streak during Breakout West at the Western Canadian Music Awards this year in Regina. In addition to 6 artist wins, our industry took home 4 major awards including Manager of the Year for Stephen Carroll (Empirical Artist Services), Booking Agency of the Year (Paquin Entertainment), Talent Buyer of the Year (The Park Theatre's Erick Casselman) and Live Music Venue of the Year (The Lo Pub). Winning artists included Daniel ROA, Indian City, Keith & Renee, Bubba B, Flo and Marco Castillo. Several other Manitoba artists performed as part of the Breakout West celebrations in the Queen City.



At the 2012 Junos in Regina, SK



Don Amero



Flying Fox and the Hunter Gatherers



Madame Diva



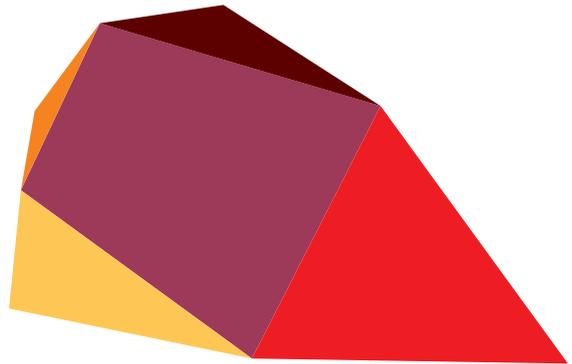
The Bokononists

Music Production Activity

During the 2012/2013 fiscal year, **Manitoba Film & Music** invested \$716,000 in Manitoba's Music industry, providing 179 music projects with recording, touring, marketing and music video creation funds - in addition to the contributions made to **Manitoba Music** through the Market Access and Aboriginal Music Programs.

In the area of music recording production, MFM supported 49 recording projects with total estimated budgets of over \$707,000.

As funding for Manitoba artists from other sources is limited, our investment is the key element of support for the province's emerging and established musicians. Increasingly, as Manitoba musicians achieve national and international recognition, artist financial investment has grown to match MFM investment. This investment indicates a growing commitment from career musicians in assuming a partnership with MFM as they realize their projects. The graph below indicates the crucial importance of MFM's investment in our local music industry.



- MFM: 32.3%
- Applicant: 49.8%
- Private Investment: 11.1%
- Other: 5.4%
- FACTOR: 1.4%



Cannon Bros.



Sc Mira

Music Projects Supported

Manitoba Film & Music provided \$194,816 to 35 music recording projects during the fiscal year.

Music Recording Production Level 1

Billy Simard	Oshima
Cannon Bros	Rhianna Rae
From Giants	Royal Canoe
Ila Barker	Stephanie Catherine
Les Jupes	The Noble Thiefs
Lucas Sader Project	Tom Keenan

Music Recording Production Level 2

Alfa	Marie-Claude McDonald
Brooke Palsson	Marijosee
Crooked Brothers	Moses Mayes
Demetra	Oldfolks Home
Distances	Rebirth of the Cool
Grant Davidson	The Bokononists
JC Campbell	The Bros Landreth
Jess Reimer	The Revival
Les Jupes	The Treble
Manitoba Chamber Orchestra	Waster

Music Recording Production Level 3

KEN mode	Tracey Bone
Tanya Tagaq	

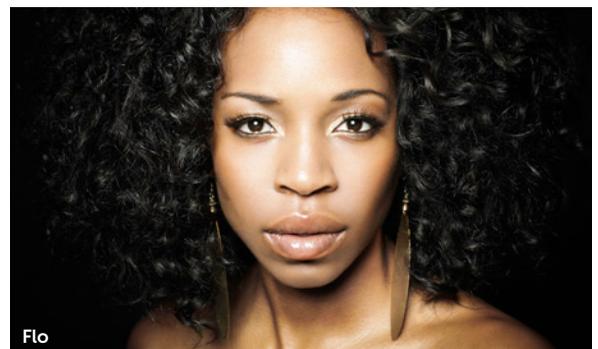


Demetra

Recording Artist Touring Support Program

This fund helps Manitoba musicians expand their audience base through touring. Proposed tours must meet **Manitoba Film & Music's** guidelines. This year, \$255,716 was provided to 55 acts.

Boats	Lost Weekend
Bubba B	Marijosee
Cannon Bros	Marie-Josée Clément
Cat Jahnke	Matt Epp
Comeback Kid	Mise en Scene
Crooked Brothers	Oh My Darling
Dangercat	Oldfolks Home
Del Barber	Propagandhi
Demetra	Prophet
Don Amero	Red Moon Road
Enjoy Your Pumas	Romi Mayes
Federal Lights	Royal Canoe
Flying Fox & the Hunter Gatherers	Ruth Moody
Grant Davidson	Salinas
Greg MacPherson	Scott Nolan
Greg Rekus	SitDownTracy
Imaginary Cities	Sweet Alibi
Indicator Indicator	Take Me To the Pilot
Ingrid Gatin	The F-Holes
J.P. Hoe	The Lytics
James Struthers	The Magnificent 7s
Jenny Berkel	The Perms
Jess Reimer	The Ripperz
Jodi King	The Treble
Katie Murphy	The Noble Thiefs
Keith & Renee	Viridians
KEN mode	Waster
Les Jupes	



Flo

Music Projects Supported (Continued)

Record Product Marketing Support Program

This program provides support for the marketing and promotion of Manitoba recordings. This year, \$90,110 was provided to the following projects.

Bubba B	Les Jupes
Chic Gamine	Lost Weekend
Dangercat	Marijosee
Del Barber	Marie-Josée Clément
Demetra	Mise en Scene
Flo	Monika Wall
Imaginary Cities	Nova
Indicator Indicator	Oh My Darling
Ingrid Gatin	Renee Lamoureux
J.P. Hoe	Royal Canoe
James Struthers	Take Me To the Pilot
Jenny Berkel	The Lytics
Keith & Renee	Thiefs
KEN mode	This Hisses

Music Video Fund

This fund is designed to encourage the production of music videos as a tool for marketing and promotion. The music video must be made in promotion of a previously released or soon-to-be-released recording. This year, \$30,220 was provided to 14 music acts through this program.

Ali Fontaine	Indicator Indicator
Boats	J.P. Hoe
Brooke Palsson	Jerry Sereda
Bubba B	KEN mode
Daniel ROA	Les Jupes
Demetra	Renee Lamoureux
Flo	Take Me To the Pilot



The Revival

Out-of-Province Artists Recording Production

Manitoba Film & Music also offers funding for out-of-province artists. This program is designed to increase business for the Manitoba music recording industry by providing assistance to non-Manitoba artists in their use of Manitoba recording studios, producers and/or management.

Market Access Program

As a program of the M3P project, the Market Access Program is supported with program assistance from **Manitoba Film & Music** and administered by **Manitoba Music**.

The aim of the program is to provide Manitoba artists and music industry professionals with development opportunities by assisting with financing to attend professionally organized music industry conferences and showcases.

This year, **Manitoba Film & Music** provided \$55,000 to the Market Access program as well as \$10,000 for market development.

Manitoba Film & Music is also helping to foster Aboriginal talent in Manitoba by supporting the Aboriginal Music Program (AMP) administered through **Manitoba Music**. This program helps First Nations, Métis, and Inuit people develop sustainable careers in Manitoba's music industry, and delivers programming and services that respond to the needs of the industry. AMP, in existence since 2004, is the only program of its kind in Canada. This year MFM provided \$75,000 to AMP.



Jess Reimer

2012/2013 Financial Statements.

Management's Responsibility

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

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards for government non-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities 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 financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Organization. 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 Finance and Planning Committee and management to discuss their audit findings.

May 27, 2013

Carole Vivier, CEO

Kevin Gabriel, Manager of Finance and Operations

Independent Auditors' Report

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

We have audited the accompanying financial statements of Manitoba Film & Sound Recording Development Corporation, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for government non-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Public Sector Accounting Standards for not-for-profit organizations. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manitoba Film & Sound Recording Development Corporation as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards for government non-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Winnipeg, Manitoba
May 27, 2013

Chartered Accountants

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Statement of Financial Position

As at March 31, 2013

	2013	2012	2011
Assets			
Current			
Cash (Note 4)	1,362,522	1,581,203	2,057,291
Accounts receivable	18,327	2,689	626
Prepaid expenses	53,793	62,104	43,372
	1,434,642	1,645,996	2,101,289
Capital assets (Note 5)	99,248	106,359	115,472
	1,533,890	1,752,355	2,216,761
Liabilities			
Current			
Accounts payable and accruals	106,043	73,259	61,682
Carryover commitments (Note 6)	963,399	952,146	1,717,538
Deferred recoupment revenue (Note 7)	–	136,835	–
	1,069,442	1,162,240	1,779,220
Net Assets			
Invested in capital assets	99,248	106,359	115,472
Unrestricted	365,200	483,756	322,069
	464,448	590,115	437,541
	1,533,890	1,752,355	2,216,761

Approved on behalf of the Board



Director



Director

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Statement of Operations

For the year ended March 31, 2013

	2013	2012
Revenues		
Province of Manitoba	3,944,600	3,944,600
Program recoupments	221,919	176,529
Other	63,079	20,801
	4,229,598	4,141,930
Expenses (Schedule 1)		
Program Delivery - Film and Television and Music Programs (Note 10)	702,001	663,943
File Commission/Location Services	344,465	354,084
Industry Support	327,950	298,720
Corporate Administration	213,295	205,985
Music Programs	570,862	568,699
Film and Television Programs	2,196,692	1,897,925
	4,355,265	3,989,356
Excess (deficiency) of revenues over expenses	(125,667)	152,574

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Statement of Changes in Net Assets

For the year ended March 31, 2013

	Invested in capital assets	Unrestricted	2013	2012
Net assets, beginning of year	106,359	483,756	590,115	437,541
Excess (deficiency) of revenues over expenses	(16,507)	(109,160)	(125,667)	152,574
Purchase of capital assets	9,396	(9,396)	-	-
Net assets, end of year	99,248	365,200	464,448	590,115

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Statement of Cash Flows

For the year ended March 31, 2013

	2013	2012
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(125,667)	152,574
Amortization	16,507	18,413
	(109,160)	170,987
Changes in working capital accounts		
Accounts receivable	(15,638)	(2,063)
Prepaid expenses	8,311	(18,732)
Accounts payable and accruals	32,784	11,577
Carry-over commitments	11,253	(765,392)
Deferred recoupment revenue	(136,835)	136,835
	(209,285)	(466,788)
Capital activity		
Purchase of capital assets	(9,396)	(9,300)
Decrease in cash resources	(218,681)	(476,088)
Cash resources, beginning of year	1,581,203	2,057,291
Cash resources, end of year	1,362,522	1,581,203

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Notes to the Financial Statements

For the year ended March 31, 2013

1. Nature of operations

Manitoba Film & Sound Recording Development Corporation (the "Organization") is a statutory corporation created by the Province of Manitoba through The Manitoba Film and Sound Recording Development Corporation Act and is exempt from income taxes. The chief objective of the Organization is to foster growth of the Manitoba film and music recording industries by providing financing and other assistance.

The Organization 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. Impact of adopting Canadian public sector accounting standards

These are the Organization's first financial statements prepared in accordance with Canadian public sector accounting standards for government non-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board of the Canada Institute of Chartered Accountants (the "New Standards"). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012, and the opening balance sheet as at April 1, 2011 (the Organization's date of transition to the New Standards). The transition to the New Standards has not affected the statement of financial position, statement of operations, statement of changes in net assets or statement of cash flows previously reported under Canadian generally accepted accounting standards.

3. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards for government non-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and include the following significant accounting policies:

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. The annual rates are as follows:

	Rate
Computer equipment	20%
Equipment	20%
Furniture and fixtures	20%
Leasehold improvements	5%
Website	30%

Program funding

The Organization provides grant funding to Manitoba companies and individuals in order to promote Manitoba's film and music recording artists and industries. The grant may 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.

b) Province of Manitoba funding

Province of Manitoba funding is based on the Province of Manitoba's annual allocation to the Organization and is recorded as revenue on an accrual basis.

c) Jump Start program recoupments

Any recovery of principal or return on investment of programs funded under the Jump Start program must be re-invested in the Organization's Market Driven Television Production and Market Driven Feature Film Production financing programs within the fiscal year that the recoupment occurs, if possible. If not possible, recoupments will be deferred to the following fiscal year and recognized as revenue at that time.

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Notes to the Financial Statements

For the year ended March 31, 2013

3. Significant accounting policies (Continued from previous page)

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards for government non-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants 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 estimated useful lives of capital assets.

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

Long-lived assets

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

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

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

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

Pension costs and obligations

The Organization provides pension benefits to its employees.

Employees of the Organization are provided pension benefits by the Civil Service Superannuation Fund (the "Fund"). Under paragraph 6 of the Civil Service Superannuation Act, the Organization is described as a "matching employer" and its contribution toward the pension benefits is limited to matching the employees' contributions to the Fund. The Organization's contribution for the year was \$42,426 (2012 - \$35,741) and is included in employees benefits expense.

In addition, certain employees of the Organization are entitled to enhanced pension benefits. A pension liability has been established for those employees whose annual earnings exceed the limit under the Civil Service Superannuation Fund Plan. The Organization's contribution for the year was \$nil (2012 - \$nil) and is included in the calculation of employees benefits expense. The cost is actuarially determined using the projected benefit methods and reflects management's best estimate of salary increase and the age at which the employee will retire.

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Notes to the Financial Statements

For the year ended March 31, 2013

4. Cash

	2013	2012
Cash	399,123	629,057
Internally designated cash	963,399	952,146
	1,362,522	1,581,203

Cash on deposit and internally designated cash earns monthly interest at the Chartered Bank's commercial rates. The Organization has internally designated a portion of its cash as noted above to satisfy commitments made as disclosed in Note 6 for carry-over commitments.

5. Capital assets

	Cost	Accumulated amortization	2013 Net book value
Website	28,663	25,197	3,466
Equipment	8,802	6,024	2,778
Computer equipment	53,752	48,439	5,313
Furniture and fixtures	57,850	55,240	2,610
Leasehold improvements	139,154	54,073	85,081
	288,221	188,973	99,248

	Cost	Accumulated amortization	2012 Net book value
Website	37,862	36,039	1,823
Equipment	9,617	6,006	3,611
Computer equipment	53,902	46,447	7,455
Furniture and fixtures	55,363	53,931	1,432
Leasehold improvements	139,154	47,116	92,038
	295,898	189,539	106,359

6. Carry-over commitments

Due to lead times required to obtain all the resources necessary to complete film, television and music recording projects, the Organization approves applications for funding which may not be disbursed until subsequent fiscal periods. Particulars of such approved funding in fiscal year ended March 31, 2013 and prior years, which were not fully advanced as at March 31, 2013 are as follows:

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Notes to the Financial Statements

For the year ended March 31, 2013

6. Carry-over commitments (Continued from previous page)

	Year of Commitment			Total	
	2012-2013	2011-2012	2010-2011 & older	2013	2012
Development Financing Programs	30,334	–	-17,098	13,236	41,518
Production Financing Programs	655,450	79,500	25,000	759,950	726,662
Jump Start Program	–	–	–	–	–
Emerging Talent Matching Funds	3,237	4,200	–	7,437	6,450
Feature Film Marketing Program	600	–	500	1,100	1,100
Portfolio Investment Envelope	–	–	–	–	–
Access to Markets/Festivals	5,000	–	–	5,000	5,000
Industry Support	17,250	1,200	–	18,450	12,700
	711,871	84,900	8,403	805,173	793,430
Sound Recording Production Fund Level 1	3,300	300	–	3,600	4,865
Sound Recording Production Fund Level 2	73,625	6,450	–	80,075	70,434
Sound Recording Production Fund Level 3	6,375	1,000	–	7,375	40,664
Music Video Fund	6,383	–	–	6,383	2,074
Record Product Marketing Fund	29,556	–	–	29,556	23,116
Recording Artist Touring Fund	26,237	–	–	26,237	17,564
Portfolio Investment Envelope	–	–	–	–	–
Market Access Fund	5,000	–	–	5,000	–
	150,476	7,750	–	158,226	158,716
Total Commitments:	862,347	92,650	8,403	963,399	952,146

7. Deferred recoupment revenue

The Organization has \$nil (2012 - \$136,835) of deferred recoupment from recoupments received through the Jump Start program that took place in 2010. Funds received as recoupments from this program must be reinvested in the Organization's Market Driven Television Production and Market Driven Feature Film Production financing programs within the fiscal year that the recoupment occurs.

8. Industry support

The Organization indirectly supports the on-going development of creative talent, business skills and capacity building of various film, television and music recording professionals by providing funding for specific programming administered by organizations such as Manitoba Music, On Screen Manitoba, the National Screen Institute Canada and the Winnipeg Film Group. Programs supported include Access to Markets, Aboriginal Music Program, Features First, Drama Prize, Totally Television, New Voices and WFG First Film, Post-Production and Marketing funds.

9. Lease commitments

The Organization occupies leased premises subject to minimum monthly rent payments until August 2018, plus various equipment leases with quarterly payments until December 2017. Future minimum annual payments are as follows:

2014	69,740
2015	70,564
2016	75,710
2017	70,162
2018	73,426

359,602

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Notes to the Financial Statements

For the year ended March 31, 2013

10. Program delivery

Program 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 Organization, the management of it does and is therefore determined to be worth noting. A total of 128 applications were received for processing during the 2013 fiscal year (2012 - 115). This represents production activity for projects which took place in the current and prior years, in excess of \$149 million worth of production activity (2012 - \$129 million). The tax credits are subject to approval by the Province of Manitoba. The cost to administer the Program in the fiscal year was approximately \$73,292 (2012 - \$67,300).

11. Economic dependence

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

12. Capital management

The Organization's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide financial and other assistance to applicants.

The Organization sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Organization may decrease expenses or seek other sources of funding.

The Organization manages the following as capital:

	2013	2012
Invested in capital assets	99,248	106,359
Unrestricted net assets	365,200	483,756
	464,448	590,115

The Organization monitors capital on a quarterly basis, as well as annually, including the Board's input as to the capital management approach to take. There have been no significant changes in the Organization's capital management objectives, policies and processes during the year.

13. Pension obligations

The Organization measures its accrued enhanced pension benefit obligation as of December 31 each year. The most recent actuarial report was December 31, 2011. Information about the Organization's enhanced pension benefit plan is as follows:

	2013	2012
Enhanced pension obligation		
Balance, beginning of year	-	-
Past service costs	36,324	-
Balance end of year	36,324	-
The Organization's enhanced pension expense consists of the following:		
Past service cost	36,324	-
Balance end of year	36,324	-
Significant actuarial assumptions:		
Discount rate	6.00%	-
Rate of compensation increase	2.00%	-

Manitoba Film & Sound Recording Development Corporation

Operating as Manitoba Film & Music Schedule 1 - Schedule of Expenses

For the year ended March 31, 2013

	2013	2012
Expenses		
Program Delivery - Film and Television and Music Programs		
Salaries	489,141	454,446
Operating	212,860	209,497
	702,001	663,943
Film Commission/Location Services	344,465	354,084
Industry Support		
Film industry associations	140,000	112,000
Film sponsorships/partnerships	42,825	37,170
Music industry associations	125,000	130,000
Music sponsorships/partnerships	20,125	19,550
	327,950	298,720
Corporate Administration		
Salaries	137,193	128,285
Operating	76,102	77,700
	213,295	205,985
Music Programs		
Music Recording Production Level III	27,241	55,321
Music Recording Production Level II	145,375	143,455
Music Recording Production Level I	22,200	31,126
Music Video	30,220	14,108
Music Recording Production Level - Out of Province	-	8,500
Record Product Marketing Support	90,110	78,290
Recording Artist Touring Support	255,716	237,899
	570,862	568,699
Film and Television Programs		
Development Financing	106,347	160,800
Production Financing	1,930,165	1,706,625
Emerging Talent Matching Funds	12,686	21,500
Feature Film Marketing	10,659	9,000
Jump Start	136,835	-
	2,196,692	1,897,925
Total expenses	4,355,265	3,989,356