



<i>Heaven is for Real</i>		<i>Lovesick</i>	Adam Beach, <i>Lovesick</i> Screening
<i>Lovesick</i> Screening after-party	Boniface	<i>A Good Madness: The Dance of Rachel Browne</i>	Ozzy  3PEAT
<i>Ozzy</i>	Behind the scenes of <i>The Parts You Lose</i>		
<i>Burden of Truth</i>	Little Miss Higgins	Dave Quanbury	
<i>A Dog's Purpose</i>		<i>Channel Zero</i>	
<i>A Dog's Purpose</i>		<i>Taken</i>	
Manitoba Music Rocks Charity Bonspiel		Jocelyne Baribeau	Royal Canoe and Begonia at the <i>Lovesick</i> Screening  Lanikai
Bachman	<i>Lovesick</i> at Movie Nights Across Canada	<i>Canot Cocasse</i>	Behind the scenes  A film crew on Lake Winnipeg
	<i>Room for Rent</i>		Sonya Ballantyne  <i>Mia</i>

---

# TABLE OF CONTENTS

02 Letter of Transmittal	02 Public Interest Disclosure	03 The Corporation	
04 Greetings		06 Our Impact: Bigger Than Ever	07 Movie Nights Across Canada
08 In The Spotlight	11 Partnerships	14 Film & Television in Manitoba	
15 Film & Television Production Activity	16 Film & Television Projects Supported		20 Music in Manitoba
	20 Music Production Activity	21 Music Projects Supported	25 2017/2018 Financial Statements

---

# LETTER OF TRANSMITTAL

JULY 31, 2018



Riel Munro, Minister Cathy Cox, MFMC CEO Carole Vivier and Jan Peter Meyboom on the set of *Channel Zero*

Honourable Cathy Cox  
Minister of Sport, Culture and Heritage  
Room 118, Legislative Building  
450 Broadway  
Winnipeg, Manitoba R3C 0V8

Dear Minister Cox,

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, 2018.

Respectfully submitted,

Diane Gray  
Chairperson

---

## 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, 2018.

# THE CORPORATION

The Manitoba Film and Sound Recording Development Corporation, known as Manitoba Film & Music (MFM), 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 Sport, Culture and Heritage. The management of Manitoba Film & Music reports directly to the Board of Directors appointed by the Lieutenant Governor in Council.

MFM supports Manitoba 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

- 01. Diane Gray (*Chair*)
- 02. David McLeod (*Vice-Chair*)
- 03. Linda Allen
- 04. Cam Clark
- 05. Kevin Donnelly
- 06. Kim Jasper
- 07. Shirley Muir
- 08. Mariette Mulaire

## PERSONNEL



### MUSIC PROGRAMS:

**Stephen Carroll**  
Manager of Music Programs

**Bonnie Seidel**  
Music Programs  
Administrative Assistant

### GENERAL:

**Carole Vivier**  
Chief Executive Officer & Film Commissioner

**Kevin Gabriel**  
Director of Finance & Administration

**Ginny Collins**  
Director of Communications & Marketing

**Lily Marcaida**  
Administrative Assistant

### FILM PROGRAMS:

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

**Sebastien Nasse**  
Senior Analyst Film, Television & Tax Credits (until Oct 2017)

**Brian Clasper**  
Development & Tax Credit Analyst (until Oct 2017); Senior Analyst Film, Television & Tax Credits (since Oct 2017)

**Hailey Hooke**  
Tax Credit & Development Analyst (since Oct 2017)

**Lauren Vogel**  
Film Commission Services Coordinator (until April 2017)

**Andrew Gallinger**  
Film Commission Services Coordinator

---

# 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 corporation's annual report for the fiscal year ending March 31, 2018.

This is an exciting time for Manitoba's film and music industries.

This past fiscal year, \$173 million in film and television production took place in the province – making it the highest year on record. In early 2018, On Screen Manitoba released an economic impact study which found that during the previous fiscal year (also one of the highest on record at \$127 million), the production industry had a GDP impact at \$112 million. That year, a provincial investment of \$20 million resulted in total provincial tax revenue of \$22.3 million (a net gain at \$2.3 million). This consistent growth, the result of long-term industry relationships, concerted business efforts and sustained provincial support, is incredibly encouraging. Manitoba's film and television industry is truly at a tipping point, where the opportunity for even greater growth is both possible and imminent. Highlights from this production year, detailed later in the report, include the success and renewal of the CBC series *Burden of Truth* (filmed in Selkirk, Manitoba), building relationships with Netflix and securing the feature *How It Ends*, and the successes of emerging and established Manitoba directors. The series *Taken* employed 9 Manitoba directors this season, including four Indigenous women.

Similarly, Manitoba's music industry continues to expand – confirming the province's reputation as a music hub. As we reported last year, a recent economic impact study commissioned by Manitoba Music indicated that the industry had increased its GDP impact by 31% since 2011. The industry creates over 4,300 full time jobs and continues to have the highest number of working musicians per capita than any other province. These numbers are backed up by the critical and commercial success of our artists. This year, MFM-funded artists Jaylene Johnson and Faouzia won first place in the International Songwriting Competition for the Christian and Teen categories respectively. Renowned Indigenous musician William Prince signed with Glassnote Records, worked with hit producer Dave Cobb, and had his music appear in a Mastercard commercial aired during the Grammys. These artists, and many others, are enjoying international careers that shine a light back on Manitoba as an incredible place to live and make music.

---

This report celebrates these industry highlights and more, including a high-profile Movie Nights Across Canada screening, engagement with the City of Selkirk, international recognition for our musicians, and more.

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 Province of Manitoba for their ongoing support for the film and music industries. Thank you to our partners and colleagues at the City of Winnipeg, On Screen Manitoba, New Media Manitoba, Manitoba Music, FACTOR, CMPA, CIMA, Telefilm Canada, the Canada Media Fund, 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, as well as the Board of Directors, who give their efforts and passion to ensure that our film and music industries flourish. Your dedication makes all of this possible. Thanks as well to our jury participants who share their valuable time and expertise.

Finally, we would like to thank all of those who support all Manitoba talent. It is thanks to homegrown support that our musicians, filmmakers and industry professionals can thrive here in Manitoba and around the world.



Diane Gray  
*Chairperson*



Carole Vivier  
*CEO & Film Commissioner*

Carole Vivier  
*CEO & Film Commissioner*

Diane Gray  
*Chairperson*

## FILM



\$173.3 million

in screen-based production this fiscal year – the highest year on record



\$22.3 million

in provincial tax revenue (a net gain of \$2.3 million)



1,900 jobs



\$1.2 billion

in screen-based production in the past 10 years



\$112 million

in annual GDP

## FILMING TOOK

### PLACE IN:



communities across Manitoba this year

Altamont / Ashern / Balmoral / Boissevain / Brandon / Brunkild / Carberry / Carmen / Cook's Creek / Cross Lake / Duck Mountain Provincial Park / Garson / La Salle / Libau / Long Plain First Nation / Marquette / Miniota / Morden / Neepawa / Opaskwayak Cree Nation / Poplar River / Portage La Prairie / Powerview / Roblin / Rosser / San Clara / Sandilands / Sanford / Selkirk / Sioux Valley Dakota Nation / Souris / St. Francois-Xavier / St. Agathe / St. Andrews / St. Malo / Steinbach / Stonewall / Traverse Bay / Virden / Wawanesa / Winkler / Woodridge / York Factory / York Landing

# Our Impact: Bigger Than Ever



170

music businesses



4,300

full time jobs



\$93 million

in GDP



1,174

tour dates funded this fiscal



166

music project applications funded this fiscal

## MUSIC

---

# Movie Nights Across Canada

Last year, Winnipeg was chosen as one of eight cities in the nation to host a Movie Nights Across Canada screening, a film celebration to commemorate Canada's 150<sup>th</sup>. MFM partnered with Telefilm Canada and a number of local and national partners to coordinate a screening of *Lovesick* by Manitoba director Tyson Caron, produced by Eagle Vision's Kyle Irving. The event was attended by nearly 2,000 people including all levels of government, local and national industry, Manitoba business leaders and more. The evening was emceed by Mr. Hartley T. Richardson, hosted by Manitoba-born screen icons Tina Keeper and Len Cariou and attended by Canadian stars including Adam Beach, Karine Vanasse, Jared Keeso, Jacob Tierney, Ali Tataryn and more. Manitoba music acts Royal Canoe and Begonia performed at the reception following the film.

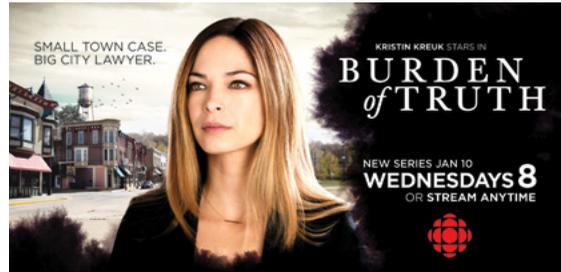


---

## IN THE SPOTLIGHT

### CBC PARTNERS WITH MANITOBA

Marking a major milestone in Manitoba's production history, the province secured a one-hour primetime drama series this year with CBC. *Burden of Truth*, starring Kristin Kreuk (*Smallville*, *Beauty and the Beast*) and Manitoba-born Peter Mooney (*Rookie Blue*, *Camelot*), is co-produced by Manitoba company Eagle Vision Inc., along with eOne. A successful and highly-rated first season has led to the series being renewed for a second season. *Burden of Truth* is shot mainly in Selkirk, Manitoba. The series follows the story of a big-city lawyer who returns to her hometown to take on what she thinks is a simple case, only to find herself in a fight for justice for a group of sick girls.



To celebrate the broadcast of the pilot episode, MFM partnered with Eagle Vision Inc. and other industry sponsors to host a live screening event in Selkirk. The event was attended by 150 residents – including political and business leaders, and those who had been involved in the production. The purpose of the event was to continue to build relationships with the people of Selkirk and celebrate their important role in Manitoba's film industry.



### THE TALK: TRUE STORIES ABOUT THE BIRDS AND THE BEES

The MFM-funded short film *The Talk: True Stories about the Birds and the Bees* by Alain Delannoy received international awards and acclaim this year, including the Academy Award Qualifying Prize for Best Animated Short at the Warsaw Film Festival. The film won five other awards including First Prize – Best Animation at Flicker's Rhode Island International Film Festival and the Prix Devarti Award at the Ann Arbor Film Festival. *The Talk* screened as an official selection in a total of 33 film festivals including the Tribeca Film Festival, the Nashville Film Festival, the Nevada City Film Festival and others. The film was screened in Los Angeles in October 2017 at a promotional event for Academy members, other industry professionals and media, in advance of the release of the Academy short list. MFM's CEO Carole Vivier connected Delannoy with representatives at the Canadian Consulate in Los Angeles, who then coordinated a reception at the Consulate following the screening.



William Prince

### SPOTLIGHT ON WILLIAM PRINCE

Since emerging on the music scene just a few short years ago, William Prince has been taking the national and international music industry by storm. His first full-length album *Earthly Days* garnered him a JUNO Award in 2017 for Contemporary Roots Album of the Year and a Western Canadian Music Award in 2016 for Aboriginal Album of the Year. This year, Prince signed with Glassnote Records and performed at Bruce Cockburn's induction ceremony for the Canadian Songwriters Hall of Fame, earning praise from not just Cockburn, but fellow inductee Neil Young. In 2018, he will release *Earthly Days* worldwide.



### MANITOBAN WRITERS, DIRECTORS AT THE HELM

This was a stellar year for Manitoba directors, writers and editors, both emerging and established. Forty-eight projects, from fiction to factual (and both Manitoba-created and service-co-productions) were directed by Manitobans. Season three of the series *Taken*, aired on APTN and produced by Manitoba company Eagle Vision Inc. employed nine Manitoba directors alone, including 5 female directors, 4 of whom are Indigenous. This year there were also 39 projects written by Manitobans, including 14 written by women. Manitoba Film & Music initiated a writers development program with Script Angel which was delivered in partnership with On Screen Manitoba. Manitoba Film & Music continues to attract international production through its work as the Provincial film commission.

Tangent Animation continues to increase the animation footprint in the province with their production of international feature films, while Franco-Manitoban producers Media-Rendezvous are developing local television animators for their series *Canot Cocasse*.

Manitoba is seeing an increase in the capacity of local directors and writers due to consistent provincial investment through Manitoba Film & Music in the development and production of locally created content that is screened globally. International service production *Channel Zero* and Manitoba co-produced project *Burden of Truth* are both dramatic series that afford professional development opportunities to existing crew and facilitate crew growth for the Manitoba film industry.

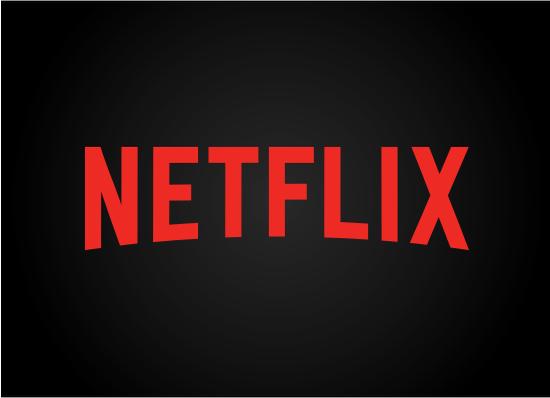


### SONGWRITERS COME IN FIRST

In 2017, MFM-funded artists Matt Epp and Faouzia became the first Canadians ever to win the Grand Prize in the International Songwriting Competition, the world's largest competition in this category. Their song *The Sound* was chosen by judges from more than 16,000 entries from 137 countries. The song reached number one on the CBC Radio 2 chart and earned the SOCAN No.1 Song Award in Canada based on its radio success. Jaylene Johnson, also funded through MFM, was awarded second place in the Christian category for her song *Fallin'*, which appears on her JUNO Award-nominated album, *Potter & Clay*. Johnson also landed an honourable mention for her co-write with Ottawa's Brant Pethick and Arun Chaturvedi on Pethick's *A Million Stars*. This year, Johnson and Faouzia came in first in the competition's Christian and Teen categories respectively.

---

## IN THE SPOTLIGHT



### NETFLIX ON THE PRAIRIE

This year the province also secured its first Netflix feature *How It Ends*, starring Forest Whitaker and Theo James. The film follows the story of a desperate father who tries to return home to his pregnant wife after a mysterious apocalyptic event turns everything to chaos. Establishing a relationship with Netflix was a priority for Manitoba, since the streaming service is currently one of the leading producers of content in the world.

### OUTREACH TO DIVERSE COMMUNITIES

Manitoba Film & Music understands that the strength of our province's film and music industries lies in their diversity. When the corporation created its strategic plan in 2015, promoting our programs to diverse communities was a major priority. In MFM's efforts to achieve this, the corporation embarked on an extensive outreach campaign to ensure diverse communities were made aware of MFM's programs and opportunities within the industry. By the end

of last fiscal year, MFM had conducted over 65 outreach sessions with places like Graffiti Gallery, The Immigrant Centre of Winnipeg, Manitoba Music's Indigenous Music program, University of Brandon's School of Music, Sisler High School, the Manito Ahbee Indigenous Music Conference and many more. The relationships formed through outreach have led to countless individual client meetings and further invitations to do outreach annually to these groups.



MFM's Stephen Carroll visits Studio 393 - Graffiti Gallery

# 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.

## EVENTS SUPPORTED BY MFM INCLUDE:

- All Access: On Screen Manitoba
- BreakOut West
- Winnipeg Chamber of Commerce Luncheon featuring The Honourable Mélanie Joly Minister of Canadian Heritage
- Festival du Voyageur
- Gimli Film Festival
- JazzFest
- JUNO Master Class
- Manito Ahbee
- Manitoba Music Rocks Charity Bonspiel
- Prime Time Ottawa
- Winnipeg Folk Festival

Each year, MFM supports international initiatives spearheaded by Telefilm Canada. These help promote Manitobans and Manitoba companies under the Canada Stand umbrella.

MFM also supports organizations within the industry to help build the careers of both emerging and established artists and industry 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 M3P) and the Indigenous Music Program.

## SPOTLIGHT ON:

### THE ALL ACCESS MEDIA PRODUCTION INDUSTRY FORUM



All Access panel with Melanie Nepinak, Lisa Meeches, Carole Vivier, Corrie Coe and Nadine Pinette

Each year, MFM supports All Access, a three-day media production industry forum produced by On Screen Manitoba in Winnipeg. The forum coordinates industry panels, keynotes and networking events featuring local, national and international guests that help build the capacity of Manitoba industry professionals. This year's forum included a full day focused on Francophone content and panelists. MFM's CEO & Film Commissioner Carole Vivier spoke on a panel titled *Affecting Change in Our Industry – Respect, Parity & Inclusion* and MFM's Manager of Film Programs & Film Commission Services Louise O'Brien-Moran spoke on the *Funding Canadian Content for Every Screen* panel.

### MANITO AHBEE



The Manito Ahbee Festival at The Forks

MFM has been a supporter of the Manito Ahbee Festival, including the Indigenous Music Awards, for over ten years. In recent years, the Corporation has been heavily involved in the Indigenous Music Conference portion of the festival. MFM's Music Programs Manager Stephen Carroll has participated as a panelist and connected with Indigenous musicians from around the country. Ten Manitoba acts were nominated for Indigenous Music Awards in the last fiscal year including MFM-supported artists Renée Lamoureux and JC Campbell.

---

**“My independent feature documentary film, *A GOOD MADNESS – The Dance of Rachel Browne*, is an important artistic testimony of the founder of Canada’s oldest modern dance company, Winnipeg’s Contemporary Dancers. Without MFM’s support and guidance, as well as the Manitoba Film & Video Production Tax Credit, it would have been impossible to produce my independent documentary feature. Merci!”**



# FILM & TELEVISION IN MANITOBA

MFM exists so that Manitoba's film and television industries flourish.

We achieve this by developing and promoting Manitoba companies, supporting the development, production and marketing of film and television projects through our programs, as well as promoting Manitoba as a film location to offshore production companies. Our objectives are to enhance Manitoba's screen-based industries, thereby increasing employment, intellectual property and copyright ownership 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 has helped to attract hundreds of films and television programs including *Shall We Dance*, *Capote*, *Burden of Truth*, *Channel Zero*, *Siberia*, *A Dog's Purpose*, *Heaven is for Real*, *How It Ends*, *The Parts You Lose* and countless others.

This past fiscal year, \$173.3 million in production took place in Manitoba – making it the highest year on record. This figure represents the total budgets for films that shot in Manitoba at some point between April 1, 2017 and March 31, 2018. The production industry had a GDP impact of \$112 million, while a provincial investment of \$20 million resulted in total provincial tax revenue of \$22.3 million (a net gain of \$2.3 million). Over the past ten years, over \$1.2 billion in production has taken place in Manitoba.

Through its film programs, administered by MFM, the province supported 12 feature films, 24 television series (fiction and factual), 20 one-off documentaries, 7 short films, 4 movies of the week and one pilot. This year MFM received 105 scripts/project inquiries and provided scouting services through the Film Commission for projects for Manitoba co-production and service production.



Minister Cameron Friesen visits the set of *Channel Zero*



On the set of *Burden of Truth*



On the set of *The Parts You Lose*



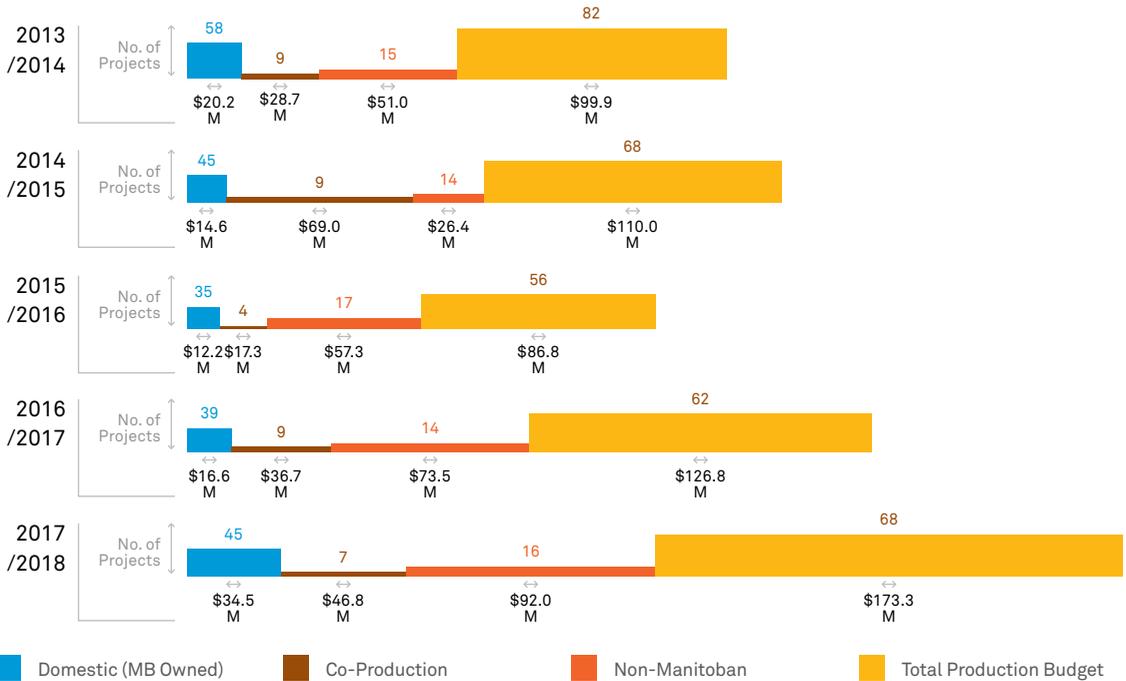
Minister Cameron Friesen visits the set of *Channel Zero*



On the set of *Burden of Truth*

# FILM & TELEVISION PRODUCTION ACTIVITY

The total production value in the 2017/2018 fiscal year was \$173.3 million



Note: These figures represent film and television production activity reported as of fiscal year ending March 31, 2018. Multi-year projects are recorded as taking place in the first year of production.

Of the 68 projects in 2017/2018, 12 included self-identified Indigenous professionals in a total of 37 key creative roles.

## 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 and allows Manitoba’s production companies to continue to produce content. Manitoba’s competitive tax credit is a key factor in our ability to create local employment opportunities and attract significant economic investment. Details on the tax credit can be found at [www.mbfilmmusic.ca](http://www.mbfilmmusic.ca)

A total of 132 tax credit applications were processed during the fiscal year. This represents nearly \$305 million in production activity. Note: tax credit applications are not necessarily processed in the same fiscal year that production took place, which explains why the production volume and tax credit totals differ.

## TAX CREDIT APPLICATIONS PROCESSED

FISCAL YEAR: 2017/2018

	No. of Apps	Total Project Budgets (in Millions)
Feature Films	27	\$185.2
TV Series/Mini-Series	46	\$109.6
One-offs	43	\$ 4.1
Other	16	\$ 5.9
<b>Total</b>	<b>132</b>	<b>\$304.8</b>

## FILM – OTHER DOLLARS LEVERAGED

With Manitoba’s equity financing and estimated tax credit support totaling \$36.5 million, \$173.3 million in local, co-production and foreign production activity occurred in this fiscal. This means that approximately 79% of total investment was leveraged from other sources from outside the province. Manitoba’s modest but invaluable investment continues to attract millions of dollars in additional revenues into Manitoba’s economy.

# FILM & TELEVISION PROJECT SUPPORTED

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

During the fiscal year, 11 applications were approved for a total investment of \$1,556,498 from MFM. The combined budget for these projects totaled \$42,201,469.

Applicant	Project	Funding
Cause One Manitoba Inc.	<i>Burden of Truth</i>	\$500,000.00
Manito Cocasse 3 Inc.	<i>Canot Cocasse Saison 3</i>	\$65,000.00
Big Lake Vet Films Inc.	<i>Dr. Keri: Prairie Vet</i>	\$50,300.00
Leroy Productions Inc.	<i>Gone: Finding Faith</i>	\$80,000.00
Invisible Light Productions Manitoba Inc.	<i>Into Invisible Light</i>	\$135,000.00
7571101 Manitoba Inc.	<i>JT</i>	\$200,000.00
Misdiagnosis Season One Inc.	<i>My Misdiagnosis</i>	\$61,000.00
Sorry For Your Loss Productions Inc.	<i>Sorry For Your Loss</i>	\$170,000.00
CDP Production Ltd.	<i>The Corruption of Divine Providence</i>	\$155,198.00
Farpoint MOW 1 Inc.	<i>The Perfect Match</i>	\$50,000.00
Wynter Pilot Inc.	<i>Wynter - Pilot</i>	\$90,000.00



*Burden of Truth*



*Canot Cocasse Saison 3*

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

During the fiscal year, 9 applications were approved for a total investment of \$81,000 from MFM. The combined budget for these projects totaled \$274,665.

Applicant	Project	Funding
Inferno Pictures Inc.	<i>Clinkerstone</i>	\$6,000.00
Grosvenor Park Inc.	<i>Fruit</i>	\$10,000.00
Walking Down Broadway Ltd.	<i>Fur Country</i>	\$12,000.00
Farpoint Films Inc.	<i>Inner Alchemy</i>	\$8,000.00
Endstop & Elsewhere	<i>Lord Only Knows I'm Gone</i>	\$5,000.00
julijette Inc.	<i>Music on Mars</i>	\$20,000.00
High Definition Pictures Inc.	<i>Once Were Warriors</i>	\$8,000.00
Inferno Pictures Inc.	<i>Red Light Winnipeg</i>	\$5,000.00
Farpoint Films Inc.	<i>The Prodigal Son</i>	\$7,000.00

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

During the fiscal year, 5 applications were approved for a total investment of \$25,922 from MFM. The combined budget for these projects totaled \$140,436.

Applicant	Project	Funding
Merit Motion Pictures Inc.	<i>Estranged</i>	\$5,824.00
BDBG - Video Vindaloo	<i>Ice Fishing in Gimli</i>	\$4,500.00
Frank Digital 509 Media Inc.	<i>Rockin' Robin and the Magical Tree</i>	\$6,850.00
Merit Motion Pictures Inc.	<i>Ruff to Riches</i>	\$4,173.00
Farpoint Films Inc.	<i>Time Funk</i>	\$4,575.00



Gone: Finding Faith

## Grant Program for Emerging Talent and Micro-Budget Production

During the fiscal year, 5 applications were approved for a total investment of \$36,500 from MFM. The combined budget for these projects totaled \$161,839.



Dr. Keri: Prairie Vet

Applicant	Project	Funding
Rowan Gray	<i>Alternating Current</i>	\$10,000.00
Hit Like A Girl Inc.	<i>Color of Scar Tissue</i>	\$6,500.00
Code Breaker Films Ltd.	<i>Eagle Girl</i>	\$7,000.00
7536365 Manitoba Ltd.	<i>If It Ain't Got</i>	\$10,000.00
Biofilm Productions	<i>Wrought</i>	\$3,000.00

## Feature Film Marketing Fund

During the fiscal year, 4 applications were approved for a total investment of \$19,677 from MFM. The combined budget for these projects totaled \$45,952.

Applicant	Project	Funding
Treespeak Films Inc.	<i>Call of the Forest</i>	\$2,500.00
SID Films Inc.	<i>Stegman is Dead</i>	\$1,115.00
Prairievideo Film & Animation	<i>The Talk: True Stories about the Birds and the Bees</i>	\$7,500.00
Trench 11 Productions Manitoba Inc.	<i>Trench 11</i>	\$8,562.00



The Perfect Match



---

**“MFM’s existence is one of the major reasons that Manitoba’s music scene is so healthy. They are a fair and caring organization that supports all genres of music and aims to help an artist grow to their maximum potential. I have been the recipient of grants from MFM, which have enabled me to continue my journey as an independent artist.”**

---

Don Amero  
Manitoba musician

---

# MUSIC IN MANITOBA

MFM exists so Manitoba's music industry flourishes. We achieve this by offering a series of music funding programs to help enhance and foster the province's vibrant music industry. MFM also attends and supports a variety of music festivals, conferences and showcases to maximize the impact of our funding by marketing our clients and creating business networking opportunities for Manitoba artists.

This year, MFM provided \$585,000 in funding toward 166 music initiatives – 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 Product Marketing Support Fund, the Music & Viral Video Fund and the Music Recording Production Fund for Out-of-Province Artists. Music businesses are supported through the Music Business Development Fund.

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

Applications to the Record Product Marketing Support Fund, the Music & Viral Video Fund, the Recording Artists Touring Support Fund and the Music Business Development Fund are evaluated by MFM based on project development plans, artist tracks records, touring schedules, strength of support team and distribution plans. There were 210 individual applications to this year's music programs.

---

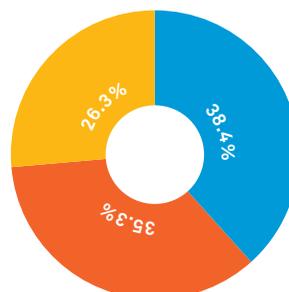
# MUSIC PRODUCTION ACTIVITY

During the 2017/2018 fiscal year, Manitoba Film & Music provided \$585,000 toward 166 initiatives including recording, touring, marketing and music video creation. Of these projects, 64 self-identified as having Francophone members, 33 self-identified as having Indigenous members, and 42 self-identified as having members who are cultural minorities.

MFM provided \$236,387 toward 50 music and music video recording projects with total estimated budgets of over \$614,900.

As funding for Manitoba artists from other sources is often limited, our investment is the key element of support for the province's emerging and established musicians. The graph indicates the crucial importance of MFM's investment in our local music recording industry.

**FUNDING SOURCES FOR MUSIC ACTIVITY**



<b>MFM:</b>	<b>\$236,387</b>
<b>Applicant:</b>	<b>\$216,721</b>
<b>FACTOR:</b>	<b>\$161,816</b>
<b>Total:</b>	<b>\$614,923</b>

# MUSIC PROJECTS SUPPORTED

Manitoba Film & Music provided \$163,696 to 24 Level 1, 2 and 3 music recording projects during the fiscal year, with combined budgets totaling \$416,948.

Music Recording Production Level 1	
3PEAT	\$2,000.00
Adam Hanney & Co.	\$2,000.00
Cass	\$2,000.00
Derrick Gardner	\$1,600.00
Fred Penner	\$1,500.00
Glassreels	\$1,750.00
KEN mode	\$1,750.00
Kerji Stephens	\$2,000.00
Sean Burns	\$1,800.00
Suzanne Kennelly	\$1,500.00
Tyler del Pino	\$1,000.00
Yes We Mystic	\$2,000.00



Lanikai

Music Recording Production Level 2	
Carly Dow	\$8,000.00
Hellnback	\$8,000.00
Lanikai	\$10,000.00
Little Miss Higgins	\$8,000.00
Living Hour	\$10,000.00
Madeleine Roger	\$10,000.00
Rayannah	\$8,796.00
The Mariachi Ghost	\$10,000.00



Dave Quanbury

Music Recording Production Level 3	
Begonia	\$18,000.00
KEN mode	\$15,000.00
Royal Canoe	\$18,500.00
The Bros. Landreth	\$18,500.00

# MUSIC PROJECTS SUPPORTED

## Recording Artist Touring Support Program

This year \$261,047 was awarded for 88 applications supporting 49 different acts for a total of over 1,174 concerts across the globe. These applications were for tours with combined budgets totaling \$1,146,509.

Apollo Suns	\$1,100.00	Micah Erenberg	\$8,400.00
Attica Riots	\$3,200.00	Mise en Scene	\$4,370.96
Begonia	\$7,700.00	Mobina Galore	\$15,000.00
Black Cloud	\$1,200.00	Moon Tan	\$1,200.00
Boniface	\$8,939.74	Mulligrub	\$8,500.00
Casati	\$1,900.00	Raine Hamilton	\$3,450.00
Dirty Catfish Brass Band	\$1,250.00	Red Moon Road	\$5,400.00
Figure Walking	\$5,800.00	Roger Roger	\$3,000.00
Ghost Twin	\$5,687.01	Sc Mira	\$2,300.00
Greg Rekus	\$7,500.00	Scott Nolan	\$2,000.00
Hearing Trees	\$1,500.00	Selci	\$1,000.00
Heavy Bell	\$2,100.00	Shea	\$7,000.00
J.P. Hoe	\$10,800.00	Sierra Noble	\$11,000.00
Julie and the Wrong Guys	\$3,500.00	Slow Leaves	\$15,000.00
Justin Lacroix	\$5,200.00	Sweet Alibi	\$12,400.00
Kakagi	\$800.00	Tansy	\$650.00
Kayla Luky	\$2,800.00	The Lytics	\$10,800.00
Kevin Roy	\$5,700.00	The Middle Coast	\$11,000.00
Lanikai	\$5,600.00	The New Customs	\$3,500.00
Leaf Rapids	\$2,000.00	The Treble	\$1,600.00
Lev Snowe	\$1,200.00	Tunic	\$12,500.00
Little Miss Higgins	\$1,900.00	Vikings	\$1,800.00
Living Hour	\$6,500.00	Viva Non	\$800.00
Madame Diva	\$2,000.00	William Prince	\$7,500.00
		Yes We Mystic	\$15,000.00

Hearing Trees



Hellnback



Faouzia





**Record Product Marketing Support Program**

This year, \$70,873 was provided to 19 acts with combined budgets totaling \$192,086.

Attica Riots	\$5,300.00
Boniface	\$2,800.00
Dave Quanbury	\$2,750.00
Dele O	\$1,750.00
Figure Walking	\$3,865.63
Hearing Trees	\$3,800.00
Heavy Bell	\$4,500.00
Indian City	\$5,397.99
Justin Lacroix	\$4,000.00
Little Miss Higgins	\$2,600.00
Madame Diva	\$1,200.00
Petric	\$8,500.00
Raine Hamilton	\$4,900.00
Royal Canoe	\$2,035.63
Sc Mira	\$9,500.00
Sean Burns	\$2,300.00
Slow Leaves	\$3,100.00
Tunic	\$1,800.00
Yes We Mystic	\$774.38



# MUSIC PROJECTS SUPPORTED

## Music Video Fund

This year, \$40,053 was provided to 19 acts through this program with combined budgets totaling \$102,586.

Adam Hanney & Co.	\$3,000.00
Cass	\$3,000.00
Dave Quanbury	\$800.00
Faouzia	\$1,500.00
Hay Fever	\$2,919.56
Hearing Trees	\$1,050.00
Joanne Pollock	\$1,400.00
Justin Lacroix	\$1,000.00
Lanikai	\$1,000.00
Micah Erenberg	\$3,800.00
Middle of Nowhere	\$3,000.00
Monika Wall	\$1,000.00
Petric	\$1,200.00
Raine Hamilton	\$2,734.00
Rayannah	\$2,500.00
Royal Canoe	\$1,400.00
Sc Mira	\$2,750.00
Selci	\$1,500.00
Those Who Walk Away	\$4,500.00

## Out-of-Province Artists Recording Production

This year, \$33,200 was provided to 5 out-of-province artists whose project budgets totaled \$97,215 combined.

Cancer Bats	\$8,500.00
Corin Raymond	\$8,250.00
Eamon McGrath	\$6,700.00
Nicole Ray	\$1,500.00
Raquel Cole	\$8,250.00

## 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 attending professionally organized music industry conferences and showcases. This year MFM provided \$55,000 to the Market Access Program.

Manitoba Film & Music is also helping to foster Aboriginal talent in Manitoba by supporting the Indigenous Music Program 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. This is the only program of its kind in Canada. Due to the generous contribution from the Department of Sport, Culture and Heritage, MFM was once again able to provide \$75,000 to the Indigenous Music Program.

Little Miss Higgins




—  
**2017/2018  
FINANCIAL  
STATEMENTS**

# INDEPENDENT AUDITOR'S 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 statement of financial position as at March 31, 2018, and the statement of operations, statement of net assets, and statement of cash flows for the year then ended, 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, 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants  
Winnipeg, Manitoba  
June 13, 2018

MANITOBA FILM AND SOUND RECORDING DEVELOPMENT CORPORATION  
**STATEMENT OF FINANCIAL POSITION**

March 31	2018	2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and bank (Note 2)	\$ 1,964,911	\$ 1,928,467
Short-term investment (Note 3)	57,685	75,870
Accounts receivable	1,000	5,661
Prepaid expenses	31,332	71,254
	<b>2,054,928</b>	<b>2,081,252</b>
<b>Capital assets (Note 4)</b>	<b>97,885</b>	<b>78,701</b>
	<b>\$ 2,152,813</b>	<b>\$ 2,159,953</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals	\$ 131,190	\$ 139,269
Carry-over commitments (Note 5)	1,057,482	1,147,724
	<b>1,188,672</b>	<b>1,286,993</b>
<b>Commitments (Note 7)</b>		
<b>Net Assets</b>		
Invested in capital assets	97,885	78,701
Unrestricted	866,256	794,259
	<b>964,141</b>	<b>872,960</b>
	<b>\$ 2,152,813</b>	<b>\$ 2,159,953</b>

Approved on behalf of the Board



Director



Director

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

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31	2018	2017
<b>Revenue</b>		
Province of Manitoba	\$ 3,582,600	\$ 3,865,600
Other	49,551	33,697
	<b>3,632,151</b>	<b>3,899,297</b>
<b>Expenditures (Schedule)</b>		
Corporate services	221,580	227,088
Federal film screening initiative (Note 14)	7,355	-
File commission/location services	288,457	349,395
Film and television programs	1,723,054	1,800,110
Industry support	183,589	189,074
Music programs	620,000	604,968
Program delivery - film/television, tax credits and music programs (Note 8)	692,665	747,610
	<b>3,736,700</b>	<b>3,918,245</b>
<b>Deficiency of revenue over expenditures before program recoupments</b>	<b>(104,549)</b>	<b>(18,948)</b>
<b>Program recoupments (Note 11)</b>	<b>195,730</b>	<b>236,751</b>
<b>Excess of revenue over expenditures</b>	<b>\$ 91,181</b>	<b>\$ 217,803</b>

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31

	Invested in capital assets	Unrestricted	2018 Total	2017 Total
<b>Net assets, beginning of year</b>	\$ 78,701	\$ 794,259	\$ 872,960	\$ 655,157
<b>Excess (deficiency) of revenue over expenditures</b>	(17,508)	108,689	91,181	217,803
<b>Purchase of capital assets</b>	36,692	(36,692)	-	-
<b>Net assets, end of year</b>	\$ 97,885	\$ 866,256	\$ 964,141	\$ 872,960

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

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31	2018	2017
<b>Cash Flows from Operating Activities</b>		
Excess of revenue over expenditures	\$ 91,181	\$ 217,803
Amortization of capital assets	17,508	17,938
	<b>108,689</b>	235,741
Changes in non-cash working capital balances		
Short-term investment	18,185	(3,606)
Accounts receivable	4,661	30,300
Prepaid expenses	39,922	(23,597)
Accounts payable and accruals	(8,079)	(270)
Carry-over commitments	90,242	179,989
	<b>73,136</b>	418,557
<b>Cash Flows from Investing Activities</b>		
Purchase of capital assets	(36,692)	(4,099)
<b>Increase in cash and bank during the year</b>	<b>36,444</b>	414,458
<b>Cash and bank, beginning of year</b>	<b>1,928,467</b>	1,514,009
<b>Cash and bank, end of year</b>	<b>\$ 1,964,911</b>	\$ 1,928,467

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

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

## 1. Nature of the Organization and Summary of Significant Accounting Policies

### Nature of the Organization

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 main 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 the registration of productions and review of tax credit applications.

### Basis of Accounting

The financial statements have been prepared using the Canadian public sector accounting standards for not for profit organizations as established by the Public Sector Accounting Board.

### Capital Assets

Purchased capital assets are stated at cost less accumulated amortization. Amortization, is provided using the straight line method based on the estimated useful life of the asset, at the following rates:

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

**1. Nature of the Organization and Summary of Significant Accounting Policies**  
(continued from previous page)

**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**

The Organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue as follows:

**a) 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.

**b) Program recoupments**

Any recovery of principal or return on investment of programs funded is recorded as program recoupments when received.

**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.

**Short-term Investments**

Short term investments consist of guaranteed investment certificates held with the Organization's financial institution, and are measured at cost less impairment.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. Cash has been designated to be in the fair value category. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost. Due to the nature of the financial instruments held by Manitoba Film & Sound Recording Development Corporation, there are no unrealized gains or losses, and therefore a statement of remeasurement gains and losses are not required for these financial statements.

**2. Cash and Bank**

	2018	2017
Cash	\$ 907,429	\$ 780,743
Internally designated cash	1,057,482	1,147,724
	<b>\$ 1,964,911</b>	<b>\$ 1,928,467</b>

Cash on deposit and internally designated cash earn 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 5 for carry over commitments.

### 3. Short-term Investment

Short term investment consists of a guaranteed investment certificate with a maturity date of April 1, 2019, bearing interest at a rate of 0.60% per annum.

### 4. Capital Assets

	2018			2017		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 100,263	\$ 69,997	\$ 30,266	\$ 71,393	\$ 65,783	\$ 5,610
Equipment	11,440	9,962	1,478	10,760	9,313	1,447
Furniture and fixtures	65,820	58,942	6,878	59,378	57,878	1,500
Leasehold improvements	145,609	89,965	55,644	145,609	82,684	62,925
Website	43,113	39,494	3,619	42,413	35,194	7,219
	<b>\$ 366,245</b>	<b>\$ 268,360</b>	<b>\$ 97,885</b>	<b>\$ 329,553</b>	<b>\$ 250,852</b>	<b>\$ 78,701</b>

### 5. 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, 2018 and prior years, which were not fully advanced as at March 31, 2018 are as follows:

	Year of Commitment			Total	
	2017-2018	2016-2017	2015-2016 & Older	2018	2017
Development Financing Programs	\$ 88,112	\$ 14,047	\$ 8,448	\$ 110,607	\$ 87,772
Production Financing Programs	430,500	209,455	98,500	738,455	887,455
Emerging Talent Matching Funds	16,900	998	3,900	21,798	12,898
Feature Film Marketing Program	3,712	800	-	4,512	2,400
Access to Markets/Festivals	5,000	-	-	5,000	5,000
	544,224	225,300	110,848	880,372	995,525
Sound Recording Production Fund Level 1	2,930	1,494	-	4,424	7,341
Sound Recording Production Fund Level 2	25,998	20,572	-	46,570	66,559
Sound Recording Production Fund Level 3	35,000	-	3,536	38,536	10,536
Sound Recording Production Fund for Out-of-Province Artists	15,850	860	400	17,110	6,450
Music Video Fund	6,600	-	-	6,600	8,605
Record Product Marketing Fund	36,700	-	-	36,700	31,568
Recording Artist Touring Fund	23,670	-	-	23,670	12,040
Music Business Development Fund	-	-	-	-	3,600
Market Access Fund	3,500	-	-	3,500	5,500
	150,248	22,926	3,936	177,110	152,199
Total Commitments	\$694,472	\$248,226	\$114,784	\$1,057,482	\$1,147,724

## 6. Industry Support

The Organization indirectly supports the ongoing 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, Indigenous Music Program, Features First, Drama Prize, Totally Television, New Voices and WFG First Film, as well as support to Post Production and Marketing funds.

## 7. Lease Commitments

The Organization occupies leased premises subject to minimum monthly rent payments until August 2023, plus various equipment leases with quarterly payments until March 2022. Future minimum annual payments are as follows:

2019	\$ 77,471
2020	85,024
2021	84,456
2022	78,110
2023	76,149

## 8. 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. The cost to administer the MTC Program in the fiscal year was approximately \$78,560 (2016 - \$77,762). A total of 132 applications were received for processing during the 2018 fiscal year (2017 - 120).

## 9. 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 in economic conditions and the risk of 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:

	2018	2017
Invested in capital assets	\$ 97,885	\$ 78,701
Unrestricted net assets	866,256	794,259
	<b>\$ 964,141</b>	<b>\$ 872,960</b>

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.

## 10. Employee Future Benefits

### a) Pension Benefits

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' contribution to the Fund. The Organization's contribution for the year was \$58,280 (2017 - \$59,451) and is included in employees benefits expense.

### b) Enhanced Pension Benefit Obligation

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 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. The Organization measures its accrued enhanced pension benefit obligation as of December 31 each year. The most recent actuarial report was December 31, 2016.

The pension obligation liability at March 31 includes the following components:

	2018	2017
Accrued obligation liability		
Balance, beginning of the year	\$ 75,870	\$ 72,264
Current service costs	4,976	5,080
Interest cost	4,463	4,251
Effect of changes in assumptions	(357)	142
Experience gain and transitional adjustment	(27,267)	(5,867)
Balance, end of year	\$ 57,685	\$ 75,870

The total expenses related to pension benefits at March 31 include the following components:

	2018	2017
Current service costs	\$ 4,976	\$ 5,080
Interest cost	4,463	4,251
Effect of changes in assumptions	(357)	142
Experience gain and transitional adjustment	(27,267)	(5,867)
Balance, end of year	\$ (18,185)	\$ 3,606

Significant long term actuarial assumptions used in the December 31, 2016 valuation and in the determination of the March 31, 2018 present value of the accrued pension obligation were:

	2018	2017
Discount rate	6.00%	6.00%
Rate of compensation increase	3.75%	3.75%

The Organization has internally designated its short term investment (see Note 3) to meet its obligation for providing enhanced pension benefits to eligible employees.

## 11. Program Recoupments

During the year the Organization received total program recoupments of \$195,730 (2017 - \$236,751) of which \$2,912 (2017 - \$7,479) related to the Jump Start program. These Jump Start recoupments were reinvested into new projects during the year.

## 12. Financial Risk Management

In the normal course of operations, the Organization is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Organization does not meaningfully participate in the use of financial instruments to control these risks. The Organization has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

### Credit Risk

Credit risk arises from the possibility that entities that owe funds to the Organization may experience financial difficulty and not be able to fulfill their commitment. The maximum exposure to credit risk is equal to the carrying value of the cash, short term deposits and receivables. The risk has not changed in the year.

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as cash flow risk, or on the fair value of other financial instruments known as interest rate price risk.

The Organization is not exposed to interest rate cash flow risk as the Organization does not have any short term or long term debt. The risk has not changed in the year.

The Organization does not trade in financial instruments and is not exposed to interest rate price risk. The risk has not changed in the year.

## Liquidity Risk

Liquidity risk is the risk that the Organization cannot meet its financial obligations associated with financial liabilities in full. The main source of the Organization's liquidity is government funding and various grants used to finance the Organization's operations and is adequate to meet the Organization's financial obligations associated with financial liabilities.

Contractual cash outflows consist of accounts payable that are due within one year.

Liquidity risk may arise from unanticipated expenditures in excess of the financial capability of the Organization. It is management's opinion that the Organization is not exposed to significant liquidity risk from their financial instruments. The risk has not changed in the year.

## 13. Economic Dependence

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

## 14. Federal Film Screening Initiative

The Organization has participated in a special initiative along with Telefilm Canada to host an "invitation only" red carpet screening to profile made in Manitoba feature films. Telefilm Canada and other partners/sponsors provide financial assistance. The Organization's contribution is minimal. A screening initiative took place in April 2017. Screenings may occur in future years, depending on continued support from Telefilm Canada and initiative.

## SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31	2018	2017
<b>Corporate Services</b>		
Salaries and benefits	\$ 159,005	\$ 154,261
Operating	62,575	72,827
	<b>221,580</b>	<b>227,088</b>
<b>Federal Film Screening Initiative</b>	<b>7,355</b>	<b>-</b>
<b>Film Commission/Location Services</b>	<b>288,457</b>	<b>349,395</b>
<b>Film and Television Programs</b>		
Development Funding	103,943	140,452
Production Financing	1,560,022	1,596,717
Emerging Talent Matching Funds	36,500	34,721
Feature Film Marketing	19,677	20,741
Jump Start	2,912	7,479
	<b>1,723,054</b>	<b>1,800,110</b>
<b>Industry Support</b>		
Film industry associations	60,000	50,000
Film sponsorships/partnerships	31,589	43,574
Music industry associations	75,000	75,000
Music sponsorship/partnerships	17,000	20,500
	<b>183,589</b>	<b>189,074</b>
<b>Music Programs</b>		
Music Recording Production Levels 1-3	163,496	167,785
Music Business Development Fund	-	10,549
Music Video	36,941	47,574
Record Product Marketing Support	92,332	65,320
Recording Artist Touring Support	259,031	248,390
Sound Recording Production Fund for Out-of-Province Artists	33,200	10,350
Market Access Fund	35,000	55,000
	<b>620,000</b>	<b>604,968</b>
<b>Program Delivery - Film/Television, Tax Credits and Music Programs</b>		
Salaries and benefits	516,268	535,459
Operating	176,397	212,151
	<b>692,665</b>	<b>747,610</b>
<b>Total expenditures</b>	<b>\$ 3,736,700</b>	<b>\$ 3,918,245</b>

**MFM**

MANITOBA | MUSIQUE ET FILM  
FILM AND MUSIC | MANITOBA

---

410-93 Lombard Avenue  
Winnipeg, MB R3B 3B1

Tel: 204.947.2040  
Email: [explore@mbfilmmusic.ca](mailto:explore@mbfilmmusic.ca)

[mbfilmmusic.ca](http://mbfilmmusic.ca)  
[@MBFilmMusic](https://www.instagram.com/MBFilmMusic)