

**A YEAR OF  
SUCCESS,  
CREATIVITY  
& CHANGE.**

**2019/2020  
ANNUAL  
REPORT**

---

**MANITOBA | MUSIQUE  
FILM & | ET FILM  
MUSIC | MANITOBA**





**MFM**



The Burton Cummings Theatre is a theatre located in Winnipeg, Manitoba, Canada. Built by local impresario Corliss Powers Walker, it was originally known as the Walker Theatre. The building was renamed after singer-songwriter and Winnipeg native Burton Cummings in 2002.

# INSIDE

<b>1</b>	Letter of Transmittal	<b>25</b>	Film and Television Highlights
<b>3</b>	For the Record	<b>31</b>	Film and Television Production Activity
<b>7</b>	Message from the Chairperson	<b>39</b>	Music Highlights
<b>11</b>	Message from the CEO	<b>43</b>	Music Production Activity
<b>15</b>	Manitoba Film & Music's Role	<b>57</b>	Focus on Service Excellence
<b>21</b>	Trend Lens	<b>58</b>	Disclosures
<b>23</b>	Working Together	<b>60</b>	Financial Statements



# LETTER OF TRANSMITTAL

Manitoba Film & Music is the engine of the province's commitment to the creation, growth and stewardship of a dynamic sector where content creators, entrepreneurial producers, skilled technicians, talented performers, and industry-responsive suppliers thrive as collaborators on creative content made in Manitoba for global audiences. As an instrument of economic development, Manitoba Film and Music is a catalyst for inward investment.

## 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, 2020.

Respectfully submitted,

**Dan Donahue**

PHOTO 1, FROM LEFT: Rachel Rusen - (CEO/Film Commissioner at Manitoba Film & Music), Charlene Paquin - (Civil Service Commissioner and Deputy Minister of Sport, Culture and Heritage), Erin Cahill - (Actress - *The Secret Ingredient*), Brendan Penny - (Actor - Set of *The Secret Ingredient*), Cathy Cox - (Minister of Sport, Culture and Heritage), Ian Dimerman - (Producer at Inferno Pictures Inc.), Lincoln Lageson - (Executive Producer - *The Secret Ingredient*), on the set of *Secret Ingredient*. Photo courtesy of *The Secret Ingredient*

PHOTO 2: In session at Private Ear Recording Studios

PHOTO 3: Star Slade in *Burden of Truth* Season 3. Photo courtesy of *Burden of Truth*

1



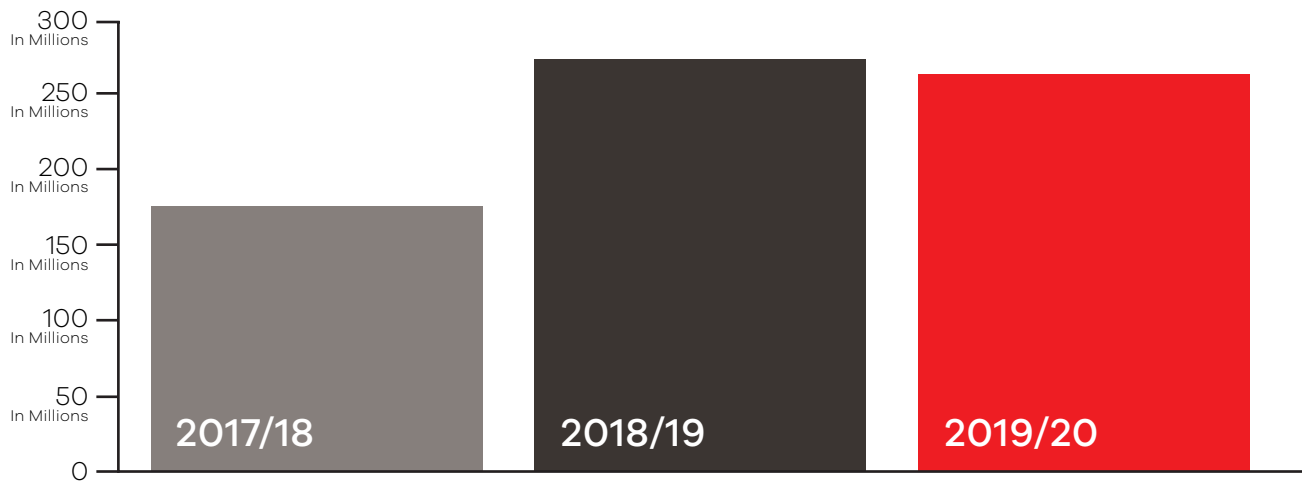




Producer Al Corley and Premier Brian Pallister on the set of *The Ice Road*

# FOR THE RECORD

## TOTAL PRODUCTION BUDGETS ON PAR WITH 2018/2019 RECORD



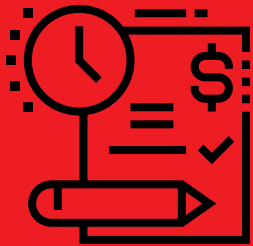
	FILM	MUSIC	TOTAL
2019 / 2020	\$261.5 MILLION	\$2.6 MILLION	\$264.1 MILLION
2018 / 2019	\$269.4 MILLION	\$2.8 MILLION	\$272.2 MILLION
2017 / 2018	\$173.3 MILLION	\$2.5 MILLION	\$175.8 MILLION



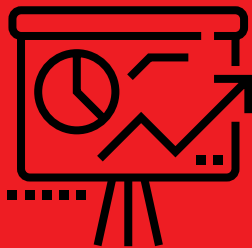
# BREAKING IT DOWN

## FILM

- **100 PRODUCTIONS** – Ownership 15% Manitoba/30% shared/55% international



- **Business** generated for **20+ production companies**

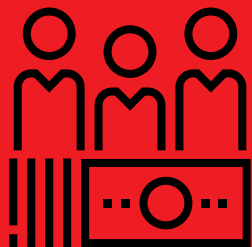


- **2,000+ shooting days** - **25% in 35 rural locations**

- **292 hours** of content



- **Employed more than 2,000 Manitobans**

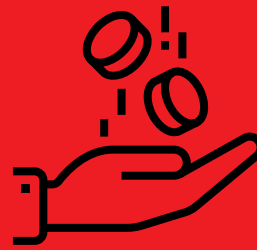


- **Manitoban actors account for 83%** of Canadians cast

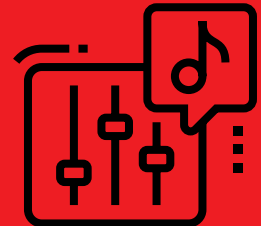
- **13 made for TV movies** – using 50% **Manitoba directors** – 30% **Manitoba cinematographers** – 40% **Manitoba composers**

## MUSIC

- **4,075 days** of employment for **307 Manitobans**



- **Business generated for 13 Manitoba recording studios**



- **164 music companies** funded



- **36 award nominations** – **5 wins**



- **Steep increase in artists coming to Manitoba to collaborate**

- **1205 tour dates across the globe**



// Simple fact: I would not have a filmmaking career without Manitoba Film and Music. Their support from my earliest days made it possible for me to keep making movies beyond the microscopic budget of my first film, enabled me to employ the great craftspeople they've helped to groom in our province, enabled me to

**REACH AROUND  
THE WORLD WITH  
MY UNLIKELY  
MOVIES.**

---

**- GUY MADDIN**







# MESSAGE FROM THE CHAIRPERSON

## CONTINUITY AND TRANSFORMATION

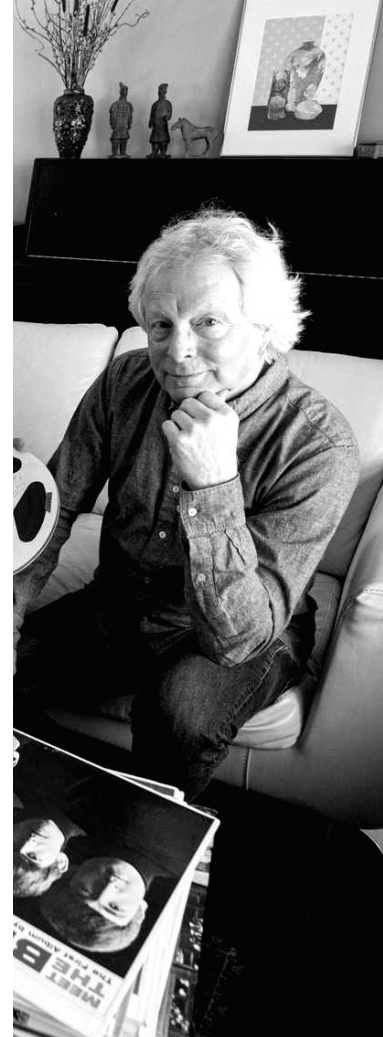
These efforts build creative opportunities for artists, companies and technicians alike — laying the foundation of a rich cultural landscape that also fuels Manitoba's economy.

This past year has been an important one for economic growth in our province and by extension, Manitoba Film & Music, the government's frontline agency representing its investment in film and music at local, national and international levels. These efforts build creative opportunities for artists, companies, and technicians alike — laying the foundation of a rich cultural landscape that also fuel's Manitoba's economy.

Throughout the year Manitoba Film & Music continued to demonstrate agility in response to an ever-changing industry, to be adaptive to unforeseen challenges and accountable to all stakeholders. We experienced this in real time when touring and live performances, a key marketing activity for music artists, were

stopped unexpectedly and programs quickly re-tooled, allowing artists to fully leverage online and social platforms. In a year where home-grown talent earned no less than five major music awards, the team was quick to recognize the value of maintaining momentum.

This accountability has been instrumental in strengthening our partnership with the province as evidenced by Manitoba Film & Music hosting the announcement of further changes to what we believe is an industry leading tax incentive. On the heels of removing the sunset clause of the Manitoba Film & Video Production Tax Credit, this latest enhancement will add an 8% Manitoba Production Company bonus to the current maximum of 30% on eligible expenses. This decision reflects



our government's commitment to the continued growth of these industries — strengthening the tools available when marketing our creative resources.

We will remember this as a year of change. A year we acknowledged a fresh perspective would advance the agency and embarked on a search for a new CEO with the industry acumen and vision to move us forward. We understood the transition of a long-standing leader would require external expertise and engaged an executive search firm to lead the process. After much careful consideration, Rachel Rusen was selected from over 100 applicants and as evidenced by her deft navigation of the COVID-19 crisis, we are confident the agency is in the right hands. I want to thank the dedicated team at Manitoba Film & Music for their professionalism and support in welcoming Rachel and embracing new leadership.

At the end of the day, we all do the best we can — as a board, as an agency, as members of the creative community. The best laid plans had

not considered the threat of social interaction, but nonetheless, when pandemic challenges arose the team at Manitoba Film & Music quickly adapted. I am proud to be associated with a group that, while having to pivot at an operational and service level, simultaneously addressed the needs of our film and music clients, mindful that many of the latter were dealing with tours stopped cold. In times of crisis, we take care of each other, and I believe it was a source of comfort and security to those who count on this agency to navigate challenges with them.

Although we can't know what opportunities or obstacles the new fiscal year may bring, we are confident that Manitoba Film & Music is well positioned to succeed.

Dan Donahue



**MANITOBA** | **MUSIQUE**  
**FILM &** | **ET FILM**  
**MUSIC** | **MANITOBA**



# BOARD OF DIRECTORS

**Dan Donahue**

Chair

**Rod Bruinooge**

Vice-Chair

**Kevin Donnelly**

**Debbie Schween**

(since December 2019)

**Bonnie Staples-Lyon**

(since December 2019)

Manitoba Film & Music would like to thank retired board members Cam Clark and Joy Loewen who completed their service in June 2019.

FROM LEFT (TOP): Bonnie Staples-Lyon, Dan Donahue, Debbie Schween, Kevin Donnelly, and Rod Bruinooge.



# MANITOBA | MUSIQUE FILM & ET FILM MUSIC | MANITOBA



## CONCOURSE



FROM LEFT: Ritvik Mehra - (Film Commission Assistant at Manitoba Film & Music April to June 2019/March 2020), George Engel - (Executive in charge of production on *Welcome to Sudden Death*), Griff Furst - (Producer on *Welcome to Sudden Death*), Kevin Donnelly - (Sr. Vice President, Venues & Entertainment, True North), (Crouching) Dallas Jackson - (Director of *Welcome to Sudden Death*), Share Stallings - (Production Executive on *Welcome to Sudden Death*), Brian Yonck - (Director, Physical Production at Universal Pictures)





# MESSAGE FROM THE CEO VISION FOR THE FUTURE

This past year will be remembered as a defining moment, not only for the pandemic that gave us pause, but also for the role media played in helping us get through it. Media is commerce, but it is also art, and content became the panacea to our isolation.

While we all appreciated the creative industries before COVID-19, the importance of content as a marker of time, mode of education and vehicle for essential communication elevated its value far beyond entertainment.

My commitment to serve the creative industries is rooted in my passion for the crafts of film and music. As an entertainment lawyer, protecting the intellectual property and distribution rights of clients was paramount. This new role of Film Commissioner and CEO for Manitoba Film & Music provides a platform to champion local talent and stimulate opportunities for gifted Manitobans to showcase world-class skills. It is a true honour to promote the home-grown creativity and entrepreneurship that

creates critically acclaimed content seen and heard around the world. Their success is Manitoba's success. When our artists break barriers, it broadens the horizon for the next generation to dream bigger. The belief the board has placed in me to lead the agency responsible for setting the table for success is an enormous privilege and responsibility. With the unwavering support of our government, and in concert with an incredible team, Manitoba Film & Music embraces the challenge and invites you to reflect on the success our industries have enjoyed this past year.

Our culture of nurturing artists and music business entrepreneurs is never more gratifying than when we see their efforts recognized at the national level. This past year, funded artists celebrated multiple



award nominations and wins across genres ranging from country to metal to pop and including Producer of the Year at the Western Canadian Music Awards. Our programs were also successful at attracting an increased number of artists from outside the province to record here, providing an opportunity to showcase our deep skill-set and professional recording facilities. Demonstrating the natural link between the two forms, we were encouraged to see music by Manitobans selected by the international streamer Netflix, who continues to produce here.

In our efforts to achieve balance between foreign-service production and content creation by local companies, we consider it a win when Manitobans are hired for US shows, be it actors, directors, cinematographers, editors or composers. The many made-for-television movies shot here capitalized on local talent, strengthening the lure of foreign productions to shoot in the province. At the same time, approximately 45% of film and television projects were either Manitoba-developed and produced or co-produced, demonstrating a healthy balance of diversified production. Whether applying for grant or equity investment, inquiring about tax credits or seeking film commission services, Manitoba Film & Music was there as the first point of contact.

While foreign-service production may represent a greater percentage of film activity, fostering content creation by Manitobans remains a key pillar on our agenda. This year, we all shared in the pride of witnessing a locally

developed, written, produced and composed feature musical starring a Winnipegger become a #1 Canadian Film. *Stand!* defied the odds for all the reasons that make Manitoba exceptional – independent, punching above its weight, home-grown talent delivering world-class results. Ground-breaking milestones were also achieved with *Edgar*, the first French language dramatic series to be locally developed and produced in Western Canada and included a Manitoba female director in its first season.

Manitoba Film & Music has successfully created strong incentives, built a solid client base, and established Manitoba's reputation as a world-class production destination. Leveraging this strong foundation, it's time to take things to the next level, creating a framework for transformation. We find ourselves at a tipping point where the demand for production exceeds the supply of studio space, trained technical resources and support services. Looking forward, we turn our focus to expanding capacity through infrastructure, crew development and introducing digital approaches to program delivery.



Rachel Rusen



# MANITOBA | MUSIQUE FILM & ET FILM MUSIC | MANITOBA





# MANITOBA FILM & MUSIC TEAM

## Rachel Rusen

CEO & Film Commissioner  
*(Acting from June-October 2019,  
Permanent October 16, 2019)*

## Kevin Gabriel

Director, Finance & Administration

## Louise O'Brien-Moran

Director of Film Financing, Tax  
Credits & Film Commission Services

## Brian Clasper

Senior Analyst - Film,  
Television & Tax Credits

## Nikhilesh Mehra

Media Tax Credit &  
Development Analyst  
*(since September 2019)*

## Andrew Gallinger

Manager, Film Commission Services

## Lexie Carvey

Coordinator, Film Programs,  
Tax Credits & Film Commission Services  
*(since December 2019)*

## Stephen Carroll

Director, Music Programs

## Bonnie Seidel

Music Programs Coordinator

## Jessica Cuddy

Executive Assistant  
*(since March 2020)*

### CURRENTLY ON LEAVE:

## Ginny Collins

Director, Communications & Marketing  
*(on leave starting September 2019)*

### RETIRED FROM MANITOBA FILM & MUSIC:

## Carole Vivier

CEO & Film Commissioner  
*(until June 28, 2019)*

## Hailey Hooke

Tax Credit & Development Analyst  
*(until September 2019)*

## Lily Marcaida

Administrative & Marketing Assistant  
*(until November 2019)*

FROM LEFT: Kevin Gabriel, Louise O'Brien-Moran, Rachel Rusen, Bonnie Seidel,  
Andrew Gallinger, Nikhilesh Mehra, Brian Clasper, and Stephen Carroll.  
Absent - Ginny Collins, Jessica Cuddy and Lexie Carvey

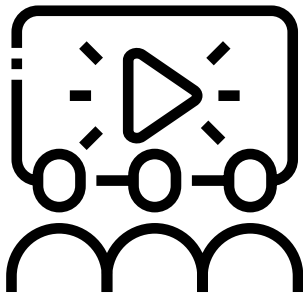
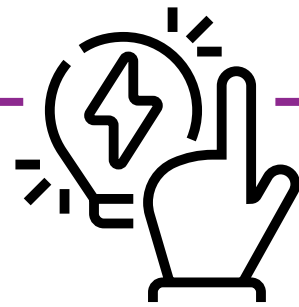


# MANITOBA FILM & MUSIC'S ROLE

## FILM

### MARKET

Manitoba locations, talent, technical skills and incentives globally



### RESPOND

as the first point of contact for productions wanting to shoot here

### SECURE

productions that employ Manitobans and fuel the provincial economy



# DELIVER

incentives and support programs



# COLLABORATE

on industry training to respond to labour demands



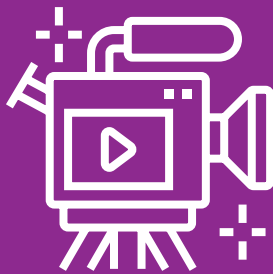
# ADVOCATE

on key industry topics



# LEVERAGE

high profile productions to enhance Manitoba's appeal



**INCREASED PROFILE FOR  
PROVINCE OF MANITOBA, CREATIVE  
INDUSTRIES & ARTISTS**

# MANITOBA FILM & MUSIC'S ROLE

# MUSIC

## PROMOTE

Manitoba talent, facilities,  
technical skills and programs



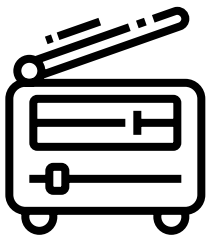
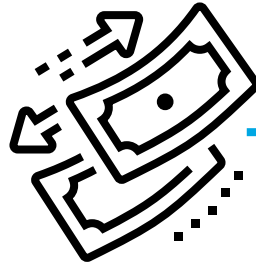
## SUPPORT

the Manitoba music industry that creates  
jobs, intellectual property, cultural value  
and fuels the provincial economy



# DELIVER

key funding programs



# COLLABORATE

with industry partners on industry training to respond to labour demands and industry needs

# ADVOCATE

on key industry topics



# LEVERAGE

artistic achievements that enrich Manitoba's musical culture

**INCREASED PROFILE FOR  
PROVINCE OF MANITOBA, CREATIVE  
INDUSTRIES & ARTISTS**







The experience shooting the Fox21 TV Studios/  
Amazon series *Tales From The Loop* in Manitoba  
was exceptional. The amazing crew and cast from  
throughout the province, the support we received  
from Manitoba Film & Music and the Winnipeg film  
office made our time there that much better. I would  
recommend Manitoba as a filming location and

**LOOK FORWARD  
TO RETURNING  
FOR ANOTHER  
PROJECT SOON!**

---

**- DAN BRICKMAN**

Sr. Vice President Production, FOX21 TVS

PHOTO 1: Dan Brickman, Sr. Vice President Production FOX21 TVS  
PHOTO 2: Jodie Foster directs Duncan Joiner in "Home" episode 8 of *Tales from the Loop*



# TREND LENS

A roundup of trends we're keeping pace with.

## FILM

### GOING GREEN

In January 2020, Manitoba Film & Music became the first provincial funding agency/film commission to license\* Reel Green, a suite of tools to help implement best practices for film productions to reduce environmental impacts. The program includes carbon literacy training, access to a collection of local 'green' vendors, cost analysis services for sustainable productions and training on sustainability reporting practices.

\*Licensed from Creative BC who hold the Canadian rights



### RESILIENCY IN ANIMATION

The feature animation sector continues to grow with Tangent Animation Inc. now counting approximately 100 technicians among its Winnipeg based operations. Animation proved to be the most resilient sector to the impact of the pandemic, as it was able to resume production to full capacity within a few weeks by investing in technology to enable its local animation team to work remotely.

**// The Manitoba films tax credit is the cornerstone in building a strong sustainable animation industry in the province.**

### MANITOBA SOUND ON TAP

Moving the dial on opportunities for Manitoba composers in the TV industry, a third of the TV movies produced in the province this year used a Manitoba composer, matching for the first time the number of Manitoba cinematographers.







# MUSIC

## VIDEO IS BUSINESS CRITICAL

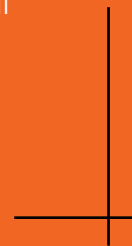
Local video producers are increasingly creating, directing and producing top-quality work for Manitoba artists, receiving 11 award nominations over the past 5 years. Video content now anchors music releases in social media marketing campaigns and can be monetized on various platforms as income generators for copyright holders.

## MORE THAN MARKETING 101

Artists and their teams are leveraging multi-layered marketing campaigns to integrate streaming promotions, social media audience engagement, and traditional radio campaigns. These efforts to set the stage for successful tours and music releases are international in scope and put in motion by a team the artist has built over time.

## TOURING GOES GLOBAL

Over the last 5 years, we experienced a 30% increase in the number of international tours undertaken by funded artists. The increase stems from business connections in the European market, where the guitar-based genres of rock, folk and roots have a large following, and substantial music business network. Manitoba artists often tour Germany and the UK as a precursor to taking on the U.S.



# WORKING TOGETHER

The growth of Manitoba's film and music industries can only be achieved through collaboration and strong partnerships.

At the national level, we work closely with public and private funders, the National Screen Institute and the respective industry academies and associations

**TELEFILM CANADA**

**CANADIAN MEDIA FUND**

**ASSOCIATION OF PROVINCIAL AND  
TERRITORIAL FUNDING AGENCIES**

**THE HAROLD GREENBERG FUND**

**THE CANADIAN ACADEMY OF  
CINEMA AND TELEVISION**

**NATIONAL SCREEN INSTITUTE**

**CANADIAN MEDIA PRODUCERS  
ASSOCIATION**

**THE CANADIAN ACADEMY  
OF RECORDING ARTS AND  
SCIENCES (CARAS)**

**CANADIAN INDEPENDENT  
MUSIC ASSOCIATION**

Locally, we engage our provincial, civic, and municipal colleagues when securing urban and rural shooting locations as well as union representatives and our provincial training organization to address labour demands. Equally important are industry associations who work on behalf of their members, many of whom are clients through our programs.

**THE PROVINCIAL FILM LIAISON  
AT THE DEPARTMENT OF SPORT,  
CULTURE AND HERITAGE**

**CITY OF WINNIPEG,  
FILM AND SPECIAL EVENTS**

**FILM TRAINING MANITOBA**

**I.A.T.S.E. 856 & 669**

**DGC MANITOBA**

**ACTRA MANITOBA**

**MANITOBA MUSIC**

**ON SCREEN MANITOBA**

**THE INDIGENOUS FILM COLLECTIVE**

**WINNIPEG FILM GROUP**

**DOC WINNIPEG**





FROM LEFT: Rachel Rusen - (CEO/Film Commissioner at Manitoba Film & Music), Laurence Fishburne - (Actor *The Ice Road*), Kenny Boyce - (Manager of Film and Special Events for the City of Winnipeg)

# FESTIVALS • SUMMITS • AWARDS • SPONSORSHIPS

## SUPPORTED

FILM	MUSIC
Get on Set Manitoba partnership with On Screen Manitoba	Festival du Voyageur
On Screen Manitoba's All Access Conference	Winnipeg Jazz Fest
Indigenous Film Summit	Manitoba Country Music Awards
2019 CBC New Indigenous Voices Presented by NSI	BreakOut West Winnipeg 2020 Hand Off Event
National Screen Institute IndigiDocs	MB Live Sessions, Online Concert Series
National Screen Institute New Northern Voices	Northern Touch Music Festival
Canada Pavilion at Cannes Film Festival in partnership with Telefilm	Polaris Music Prize
Canada Pavilion at Berlinale (Berlin) in partnership with Telefilm	Synonym Art Consultation
Gimli Film Festival	Manito Ahbee 2019 Festival
University of Winnipeg Film Festival	Winnipeg Folk Festival
Gimme Some Truth Documentary Film Festival	
Winnipeg Film Group First Film, Postproduction, and Marketing Fund	



# FILM AND TELEVISION HIGHLIGHTS

Ensuring Manitoba's film & television industries flourish

## PROVINCE RECOGNIZES INDUSTRY VALUE

The Manitoba provincial government delivered a media conference from the Manitoba Film & Music offices to announce an enhancement to the Cost of Production Tax Credit in the form of an 8% Manitoba production company bonus\*. This was followed by a much-awaited announcement regarding changes to the highway traffic act that will enable location production assistants, trained and certified as flag people, to conduct intermittent traffic control where and when approved by the Department of Highways in concert with the RCMP. This measure enables law enforcement to focus on their core responsibilities except when essential, at which time the production company can hire off-duty officers. This change puts Manitoba on equal footing with other jurisdictions and enables production to pivot more easily when schedules change.

\*The legislation is currently on the schedule of Bills and passed its first reading on March 19, 2020. Due to COVID-19 proceedings have been delayed.



25



Eugène Baffoe , Micheline Marchildon and  
Éric Robidoux on the set of *Edgar*



## 1<sup>st</sup> FRENCH LANGUAGE SERIES PRODUCED IN WESTERN CANADA

Franco-Manitoba production company Manito Média developed and began production on *Edgar*, the 1<sup>st</sup> French language one-hour drama to be produced in Western Canada. The production used primarily Manitoba crew and half the episodes are directed by Manitoban Danielle Sturk, acclaimed for her independent work *El Toro* and *A Good Madness: the dance of Rachel Browne*. This is a huge milestone for producers Charles Clément, Patrick Clément and director Danielle Sturk to break into the lucrative French language scripted drama market. Manitoba Film & Music is pleased to have supported *Edgar* in its 1<sup>st</sup> season.

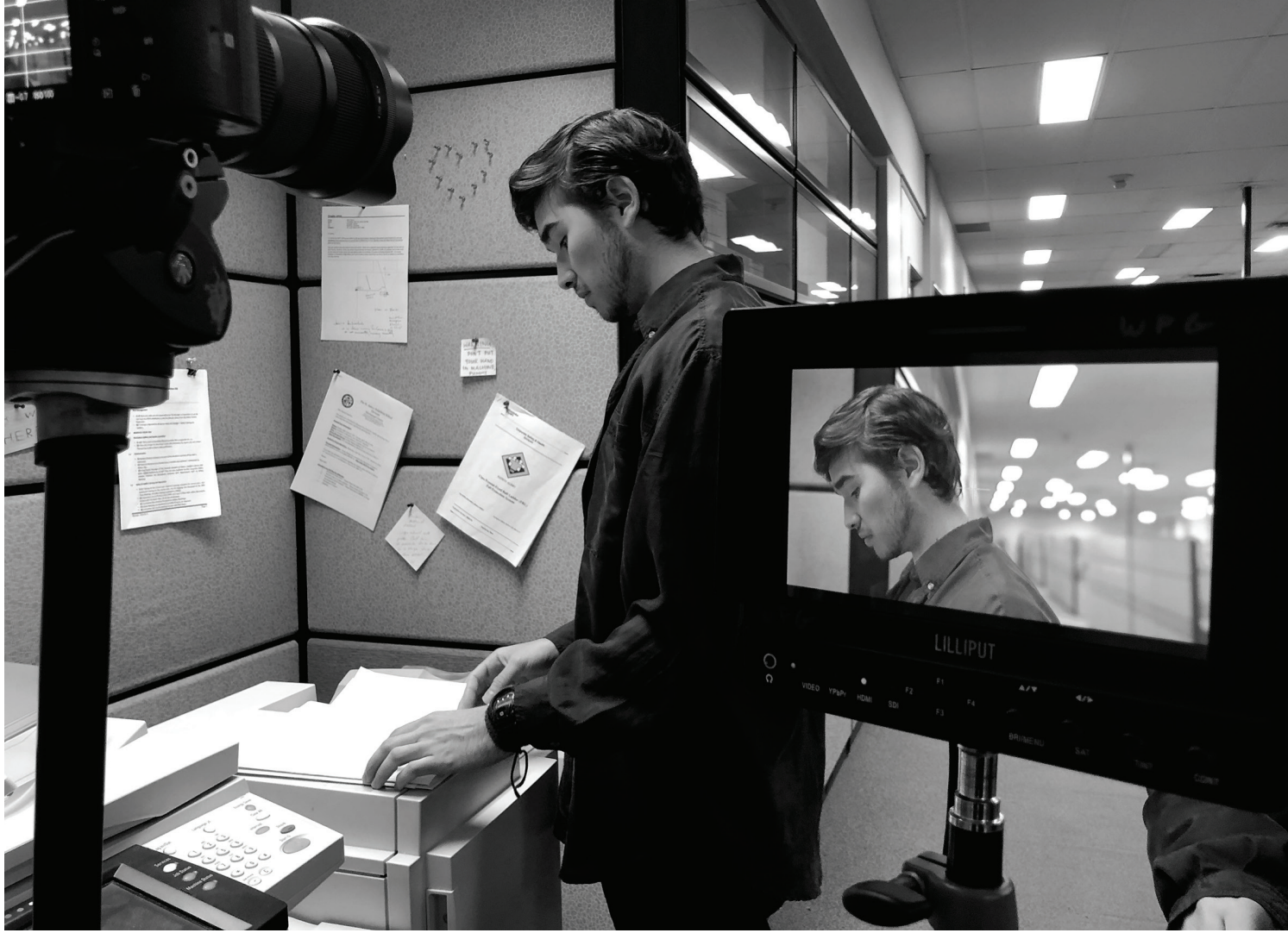
## LOCAL FILM REACHES #1

*STAND!* – the locally written, produced, composed and edited feature continues to reach new heights of achievement. For the first time in history, a Manitoba film received an 11-page article in *American Cinematographer* magazine profiling Roy Wagner's innovative use of the new Black Magic camera package to great effect on *STAND!* After a red carpet screening for a record-breaking 1800+ attendees at the Centennial Concert Hall on September 24th, the film went on to open at 26 theatres across the country in November and ran for 6 weeks, earning the number 1 spot for Canadian English films at the box office in December. This is a 1<sup>st</sup> for a Manitoba feature that has now secured wide-release theatrical distribution in the United States.



# MANITOBA | MUSIQUE FILM & ET FILM MUSIC | MANITOBA





Sebastian Ortiz (Actor), on set of "Lover Boy's Little Dream" (Harold Greenberg Fund award winner)

## FOCUS ON SHORTS

In its efforts to see more production developed locally and increase Manitoba intellectual property, Manitoba Film & Music partnered with the Harold Greenberg Fund for a pilot program to support 3 short films. There were 32 applicants and the quality of submissions was so extraordinary that both funding partners increased their commitment to enable a 4<sup>th</sup> short film to be funded. Each of the successful applicant projects presented a unique sensibility and a distinct voice.

## MANITOBA'S ICE SPARKLES ON SCREEN

Manitoba was home to its 1<sup>st</sup> action movie where the province played itself in *The Ice Road*, featuring Academy Award nominated actors Liam Neeson and Laurence Fishburne. The feature film was co-produced by Manitoban Cary Davies of Van Evera and took advantage of the Chroma Ranch, developed by Transport Coordinator and Manitoba entrepreneur John Mysyk.



// Manitoba was not initially on our radar when it came to choosing a location to base our production of *Flag Day*. But coming here turned out to be one of the very best decisions we made. From the early key support provided by Manitoba Film & Music, to the spectacular locations, experienced key crew and aggressive incentive program, to the “go the extra mile” attitude of our local service company Buffalo Gal, we found everything we were looking for in Winnipeg and environs to make

# OUR AMBITIOUS PERIOD FILM FOR THE PRICE WE NEEDED.

---

**– WILLIAM HORBERG**  
PRODUCER, WONDERFULFILMS.NET





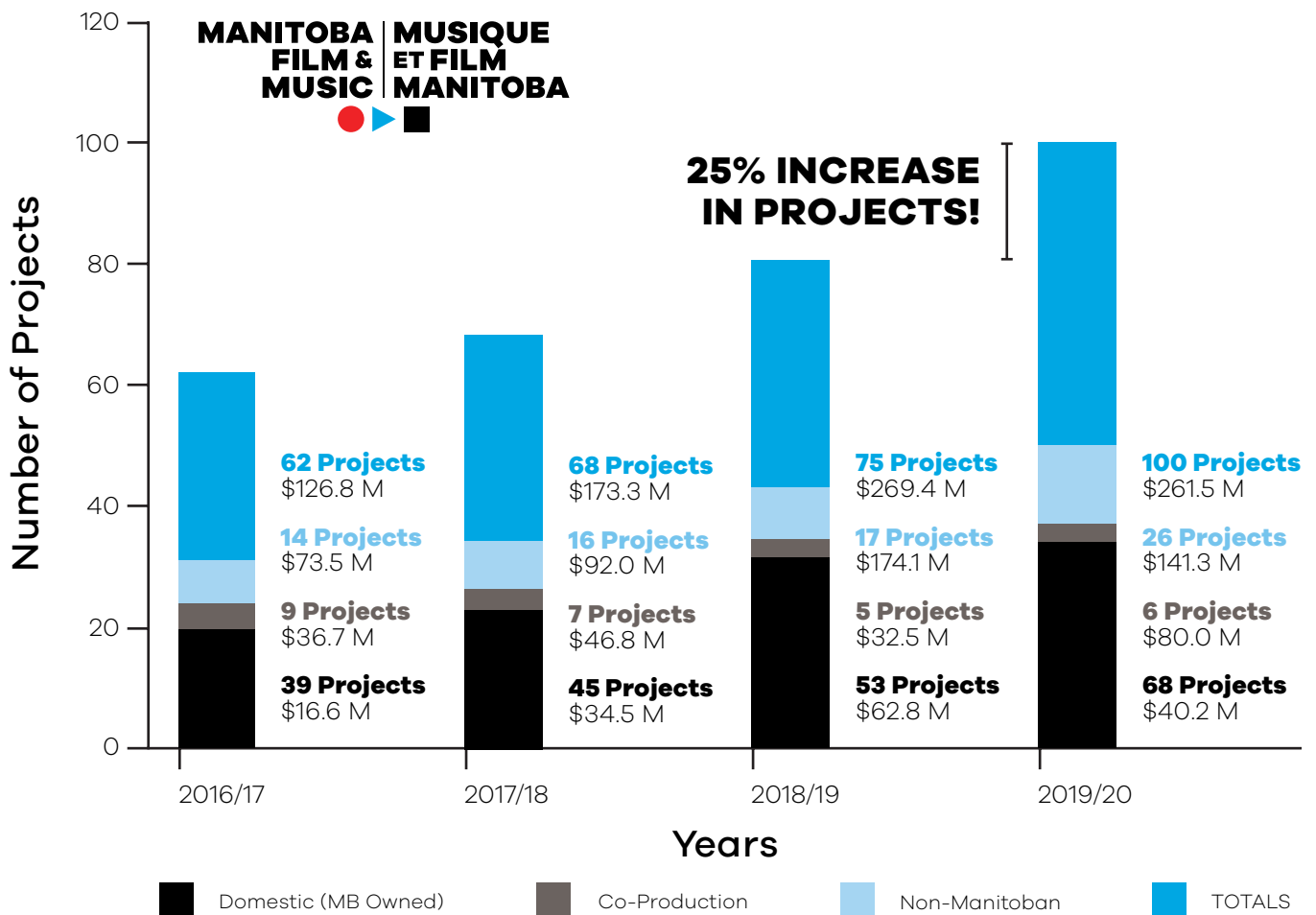


William Horberg (Producer, Wonderfilms) and Sean Penn (Director)  
on the set of *Flag Day* Photo credit: Allen Fraser



# FILM AND TELEVISION PRODUCTION ACTIVITY

Total production value in the 2019/2020 fiscal year **\$261.5 million**



**NOTE:** These figures represent film and television production activity reported as of fiscal year ending March 31, 2020.



# 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 provides Manitoba production companies with a critical financial instrument to produce their own content and secure production agreements. Manitoba’s competitive tax credit is a key factor in our ability to create local employment opportunities and significant economic investment.

A total of 125 projects submitted tax credit applications during the fiscal year, representing \$432 million in

production activity. Eligible Productions have up to 30 months after the end of the taxation year in which principal photography began for Manitoba Film & Music to receive the respective tax credit application. Consequently, tax credit applications are not necessarily processed in the same fiscal year that production took place, which results in the discrepancy between the stated production volume for a fiscal year and the stated value of productions for tax credits processed in a given fiscal year.

## PROJECTS THAT HAVE SUBMITTED TAX CREDIT APPLICATIONS IN 2019/2020 FISCAL

	NUMBER OF PROJECTS	TOTAL PROJECT BUDGETS (IN MILLIONS)
Feature Films	22	\$183.1
TV Series/Miniseries	56	\$202.9
One-Offs	26	\$6.1
Others	21	\$40.2
<b>TOTALS</b>	125	\$432.3



# FILM & TELEVISION PROJECTS SUPPORTED

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

During the fiscal year, 10 applications were approved for a total investment of **\$1,800,612**.  
The combined budget for these projects totaled **\$66,534,278**.

APPLICANT	PROJECT	FUNDING
Cause Three Manitoba Productions Inc.	Burden of Truth Season 3	\$ 463,113
Manito APF Inc.	Denise au pays des Francos	\$ 16,000
Diaspora Movie Inc.	Diaspora	\$ 118,141
Big Lake Vet 3 Films Inc.	Dr. Keri: Prairie Vet Season 3	\$ 79,889
Manito Edgar 1 Inc.	Edgar	\$ 248,469
Prairie Viking Season One Inc.	Ice Vikings	\$ 100,000
julijette Inc.	Polarized	\$ 300,000
SFM Productions Inc.	Science Fiction Makers	\$ 25,000
TDMJ Season One Inc.	The Day My Job Tried to Kill Me	\$ 50,000
North Road Productions Inc.	The Ice Road	\$ 400,000

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

During the fiscal year, 6 applications were approved for a total investment of **\$73,500**.  
The combined budget for these projects totaled **\$281,502**.

APPLICANT	PROJECT	FUNDING
Mia Film Inc.	DÉCOUP(L)É	\$ 10,000
Merit Motion Pictures Inc.	Everest Dark	\$ 10,000
Five Door Films Inc.	Surveying Swannell	\$ 5,000
Inferno Pictures Inc.	The Boy Detective Fails	\$ 6,000
Eagle Vision Inc.	The Red	\$ 22,500
Buffalo Gal Pictures Development Inc.	Trapped	\$ 20,000





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

During the fiscal year, 6 applications were approved for a total investment of **\$27,913**.  
The combined budget for these projects totaled **\$117,146**.

APPLICANT	PROJECT	FUNDING
Zoot Pictures Inc.	Cow Town Custom	\$ 3,210
Frank Digital 509 Media Inc.	Danger to Society	\$ 5,000
Blue Prairie Productions Ltd	In Valhalla's Shadows	\$ 6,375
Frantic Manitoba Productions Inc.	Post Human	\$ 4,775
Merit Motion Pictures Inc.	Ruff to Riches	\$ 4,173
Big Cheese Pictures Inc.	Time Out Tess	\$ 4,380





FROM LEFT (BACK ROW): NSI New Northern Voices students Hubert Lathlin, Gabriel Constant, Tricia Blank, Steven Bignell, Rochelle Dyrkacz, Stuart Matheson. Front row l to r : Andy Kematch, Praise Okantah (RBC), faculty members Jordan Wheeler and Kim Wheeler, (missing student Cherie Burns) Photo credit National Screen Institute

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

During the fiscal year, 9 applications were approved for a total investment of **\$74,147**.  
The combined budget for these projects totaled **\$355,626**.

APPLICANT	PROJECT	FUNDING
Erin Buelow	Arutinae	\$ 10,000
Code Breaker Films Ltd.	Broken Glass (HGF/MB Short)	\$ 10,000
Ghost Twin Video Inc.	Dash Jam	\$ 3,146
10049387 Manitoba Ltd.	Devotion (HGF/MB Short)	\$ 10,000
Matthew van Ginkel	First Session	\$ 7,516
Butter Chicken Films Inc.	Lover Boy's Little Dream (HGF/MB Short)	\$ 10,000
Ode to my Father Productions Inc.	Ode to My Father	\$ 4,950
Development Team JEGG Inc.	The Rabbit Hunters	\$ 8,535
Dirtbag Philosophy Films	Wolf in Dude's Clothing (HGF/MB Short)	\$ 10,000

### Feature Film Marketing Fund

During the fiscal year, 3 applications were approved for a total investment of **\$13,500**.  
The combined budget for these projects totaled **\$53,925**.

APPLICANT	PROJECT	FUNDING
Strike! Movie Manitoba Corp.	Stand! (2 applications)	\$ 6,500
See More Films Entertainment Inc.	Stump the Guesser	\$ 7,000







// Making music is not only my career, it's my life. I am so inspired by the arts community here in Manitoba. I feel like there is constantly new and exciting talent to discover here every day. I'm thankful for the support I've received here in Manitoba from the community, especially from organizations such as Manitoba Film & Music.

**I DON'T THINK  
I WOULD  
BE WHERE I  
AM TODAY  
WITHOUT IT.**

---

**– BEGONIA**



# MUSIC HIGHLIGHTS

**Nurturing and promoting a vibrant Manitoba music industry**

## **NO PROBLEM FOR PETRIC**

*Single Problem* was the highest charting song for a Manitoban and independent act on the Canadian country charts, generating millions of online streams. Their success provided the opportunity to perform at several major music festivals across the country, including as headliners at Kenora Harbourfest. Just days before the pandemic impacted touring in Canada, they ended their series of live shows with a packed house at the Burton Cummings Theatre. The band is now finishing up final touches on new music to be released later in 2020.

**// Petric would not have had half the opportunities we've been given without the support of Manitoba Film & Music. MFM has helped us create partnerships and relationships within the industry, which has allowed us to grow our business across the globe. They continue to challenge us to be the best that we can be, and we will forever be grateful for the roles they've played in our careers.**

- Jason Petric, PETRIC





## #1 FOR SEBASTIAN GASKIN

This was a breakout year for Sebastian, who has been cultivating a significant following and body of excellent, well-crafted modern R & B, hitting number 1 on the Indigenous Music Countdown. Over the course of the year, his music was enjoyed across the country at renowned music festivals including Interstellar Rodeo and the Calgary Stampede, and as the opening act for major artists Common, T-Pain and Buffy Sainte-Marie. Sebastian is poised to release a new set of recordings and music video later this year.

**“Manitoba Film & Music has played a really huge part in growing my career. They’ve supported videos, recording, and marketing campaigns, all of which would have looked very different without their support. I’m very grateful for all that they have done for me and the music community in Manitoba.**

*- Sebastian Gaskin*



## BEHIND THE BOARD

Private Ear, a Manitoba Film & Music accredited studio, is a stand-out facility in Western Canada. With one of Canada's best live rooms and state of the art equipment, they stand as a cornerstone of the Manitoba Music Industry. Working with artists such as The Watchmen, The Guess Who and the JD Edwards Band, they have been recording great albums for over a quarter-century. Their work has been celebrated with many awards, and their services expanded to film audio work with numerous credits to their name. The studio is now owned and operated by Vanessa Peters and John Paul. Both Vanessa and John are passionate advocates for musicians' independence and building an industry recording model that empowers musicians to retain ownership and control of their material while still receiving the highest possible standard of production and recording.

**Manitoba has some incredibly talented musicians and industry specialists that would never have been heard of if not for the support of Manitoba Film & Music. The music industry is like a family here and we all support each other. The leadership, support and funding that our musicians receive from MFM are an integral part of what keeps this family working together. The out-of-province grants are what keep talented musicians coming back to Manitoba to record albums and videos. So many of our clients have been able to reach new levels of success with the help of these funds and we wouldn't be able to do what we do best without them!**

*- Vanessa Peters - Private Ear Recording Studios*



Vanessa Peters and John Paul at Private Ear Recording studios





## EXPANDING HORIZONS

Mobina Galore's schedule proves they are true road warriors. In 2019, they headlined a European tour, which included their Italian debut. They spent 3 weeks travelling the U.S. alongside the Canadian Punk Band Single Mothers and yet another 2 in the UK/EU opening for co-headliners Frank Iero and Laura Jane Grace. This is Manitoba on the world stage.

**// Tour support from Manitoba Film & Music has allowed us the financial confidence to tour year-round across North America and Europe. We can count on their support when booking tours and know it has allowed us opportunities we may not have had without access to funding. Funding through tour support has given us a chance to invest in our future.**

*- Jenna Priestner, Mobina Galore*

**MANITOBA | MUSIQUE  
FILM & ET FILM  
MUSIC | MANITOBA**



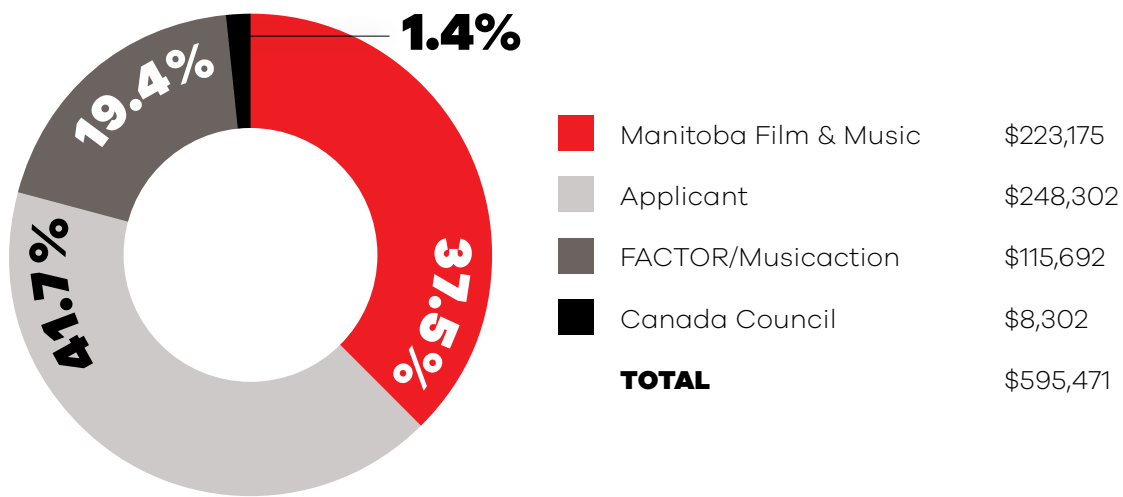
# MUSIC PRODUCTION ACTIVITY

During the 2019/2020 fiscal year, Manitoba Film & Music provided \$563,674.62 toward 164 applications, including recording, touring, marketing and music video creation. Of these, 26 applicants self-identified as Francophone, 20 as Indigenous and 32 as cultural minorities.

Manitoba Film & Music also provided \$223,175 toward 50 music recording and music video projects with total estimated budgets of nearly \$600,000.

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.

## FUNDING SOURCES MUSIC RECORDING & VIDEO PROJECTS



43





**MFM**



// The experiences in life motivate me to create. To translate the stories in my life through music and

**HAVE LISTENERS  
CONNECT TO IT.**

---

**- E.GG OF 3PEAT**

**45**







# MUSIC PROJECTS SUPPORTED

## MUSIC RECORDING PRODUCTION FUND

Manitoba Film & Music provided **\$152,911** to 22 Level 1, 2 and 3 music recording projects during the fiscal year, with combined project budgets totaling **\$398,029**.

### LEVEL 1

Agapito	\$ 1,815
Ami Cheon	\$ 2,000
Apollo Suns	\$ 2,000
deadmen	\$ 2,000
Liam Duncan	\$ 2,000
Rhianna Rae Saj	\$ 1,500
Sala	\$ 2,000
Sebastian Gaskin	\$ 2,000
Sophie Stevens	\$ 2,000



Apollo Suns





Kelly Bado

## LEVEL 2

Ariel Posen	\$ 10,000
Charlie Fettah	\$ 8,000
Dirty Catfish Brass Band	\$ 10,000
Erin Propp and Larry Roy	\$ 10,000
Ghost Twin	\$ 9,000
Kelly Bado	\$ 9,000
Panicland	\$ 7,000
Raine Hamilton	\$ 10,000
Roman Clarke	\$ 5,596
Sweet Alibi	\$ 10,000
Tunic	\$ 9,000

## LEVEL 3

Petric	\$ 20,000
Steve Bell	\$ 18,000



# RECORDING ARTIST TOURING AND ONLINE CONCERT SUPPORT PROGRAM

This year **\$256,252** was awarded for 84 applications supporting 47 different artists for a total of over 1,205 tour dates across the globe. These applications were for tours with combined budgets totaling **\$1,249,499**.

Alone I Walk	\$ 8,936.50
Ami Cheon	\$ 1,200
Apollo Suns	\$ 15,000
Ariel Posen	\$ 10,000
Begonia	\$ 12,900
Boniface	\$ 10,500
Charlie Fetta	\$ 1,700
Eamon McGrath	\$ 5,000
Field Guide	\$ 850
Greg Rekus	\$ 2,665
Jacob Brodovsky	\$ 2,000
Jaywood	\$ 3,200
Joey Landreth	\$ 12,250
KEN mode	\$ 2,750
Kris Ulrich	\$ 1,750
Leaf Rapids	\$ 5,000
Lev Snowe	\$ 3,750
Liam Duncan	\$ 1,200
Living Hour	\$ 11,250
Logan McKillop	\$ 7,950
Madeleine Roger	\$ 6,850



Sierra Noble





Dale Brown and Emma Cloney of The New Customs

Matty Stecks and Musical Tramps	\$ 2,500
Micah Erenberg	\$ 14,250
Mobina Galore	\$ 15,000
Moon Tan	\$ 1,250
Noah Derksen	\$ 10,900
Petric	\$ 2,100
Raine Hamilton	\$ 4,400
Rayannah	\$ 8,800
Roman Clarke	\$ 5,000
Scott Nolan	\$ 1,400
Screaming at Traffic	\$ 4,000
Sean Burns	\$ 4,250
Sebastian Gaskin	\$ 2,600

Shea	\$ 2,650
Shotgun Jimmie	\$ 1,950
Sierra Noble	\$ 2,750
SMRTDEATH	\$ 1,300
Super Duty Tough Work	\$ 2,400
Sweet Alibi	\$ 5,300
Taylor Janzen	\$ 2,900
The Lytics	\$ 4,500
The New Customs	\$ 1,850
Tunic	\$ 11,000
Tyler Del Pino	\$ 1,700
Warming	\$ 2,800
Yes We Mystic	\$ 12,000

Michelle Anderson, Amber Nielsen and Jessica Rae Ayre of Sweet Alibi



**MFM**



**51**



# RECORD PRODUCT MARKETING SUPPORT PROGRAM

This year, **\$40,264** was provided to 19 acts for 24 separate projects through this program with combined project budgets totaling **\$101,692**.

ACT	FUNDING
Apollo Suns	\$ 3,400
Begonia	\$ 4,500
Ben de la Cour	\$ 3,650
Eagle and Hawk	\$ 3,200
Field Guide	\$ 1,500
Joey Landreth	\$ 1,700
Kelly Bado	\$ 4,000
Leaf Rapids	\$ 4,100
Living Hour	\$ 700
Logan McKillop	\$ 1,775
Madeleine Roger	\$ 400
Micah Erenberg	\$ 6,500
Noah Derksen	\$ 3,400

ACT	FUNDING
Petric	\$ 4,500
Rayannah	\$ 4,000
Roman Clarke	\$ 3,900
Shea	\$ 1,900
Slow Leaves	\$ 3,100
Sweet Alibi	\$ 4,400
The Bros Landreth	\$ 10,000
The New Customs	\$ 1,200
Tunic	\$ 1,200
Tyler Del Pino	\$ 4,823.45
Warming	\$ 1,400
William Prince	\$ 5,000

# MUSIC VIDEO AND VIRAL VIDEO FUND

This year, **\$40,264** was provided to 19 acts for 24 separate projects through this program with combined project budgets totaling **\$101,692.**

ACT	FUNDING
Alpha Toshineza	\$ 1,200
Amadians	\$ 800
Apollo Suns	\$ 1,000
Ariel Posen	\$ 4,000
Begonia	\$ 3,875.17
Flamenco Sketch	\$ 800
Little Miss Higgins	\$ 1,000
Living Hour	\$ 2,500
Madeleine Roger	\$ 800
Mobina Galore	\$ 1,828.50

ACT	FUNDING
Noah Derksen	\$ 2,000
Rayannah	\$ 3,000
Red Moon Road	\$ 4,060
Renee Lamoureux	\$ 3,450
Sebastian Gaskin	\$ 1,150
Shea	\$ 1,400
Slow Leaves	\$ 3,500
The Bros Landreth	\$ 3,000
The New Customs	\$ 900







# MUSIC RECORDING PRODUCTION FUND FOR OUT-OF-PROVINCE ARTISTS

This year, **\$30,000** was provided to 4 out-of-province artists whose total project budget was **\$95,580**.

ACT	FUNDING
Josh Sahunta	\$ 2,000
Katy Hurt	\$ 9,000
Selci	\$ 9,000
Stephen Fearing	\$ 10,000

**MANITOBA** | **MUSIQUE**  
**FILM &** | **ET FILM**  
**MUSIC** | **MANITOBA**



// I don't think *Ruthless Souls* could have been made in any other province. The crew, the gear, all the support of the Manitoba Film Industry came together to make *Ruthless Souls*. A Talent to Watch Feature made it to a private screening at Berlinale. The third-largest film festival in the world.

**YOU TAKE AWAY  
MANITOBA, AND  
THAT DOESN'T  
HAPPEN.**

---

**– DARCY WAITE**  
EAGLE VISION

**55**





Kate



# FOCUS ON SERVICE EXCELLENCE

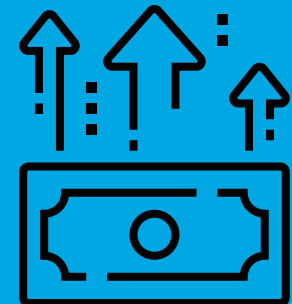
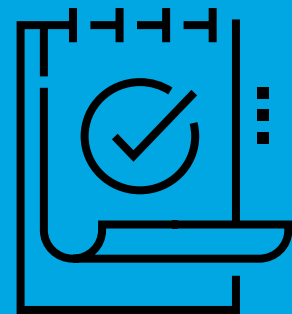
## RESPONSIVENESS IS A CORE VALUE

- Manitoba film commission provided **134 information packages** and responded to an additional **96 inquiries = 76% increase** over last year. **34% new clients.**
- **58% (7 out of 12)** of projects **scouted shot in Manitoba.**
- **154 tax credit certificates issued, a 7% increase** from last year.
- Changes to the deeming process combined with more efficient tax credit procedures resulted in vast improvements in processing times.

**Part A: 43% increase** in preliminary applications, **52% less time** on documentation resulting in **4% faster service.**

**Part B: 4% decrease** in incomplete applications, **20% less time** on documentation resulting in **44% faster service**

- Delivery of music seminars and workshops moved to **Facebook Live.**
- Program applications moved **online** and now accepted via email.
- **Quick pivot** on programs in light of **COVID-19.** Manitoba Film & Music was quick to anticipate needs and provide needed support.



# DISCLOSURES

## THE CORPORATION

The Manitoba Film and Sound Recording Development Corporation, known as 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 Sport, Culture and Heritage.

The management of Manitoba Film & Music reports directly to the Board of Directors appointed by the Lieutenant Governor in Council.

## 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, 2020.





---

# FINANCIAL STATEMENTS

# 2019

MANITOBA | MUSIQUE  
FILM & ET FILM  
MUSIC | MANITOBA

● ▶ ■



# MANITOBA FILM & SOUND RECORDING DEVELOPMENT CORPORATION

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

<b>62</b>	Management's Responsibility for Financial Reporting	<b>68</b>	Statement of Changes in Net Financial Assets
<b>63</b>	Independent Auditor's Report	<b>69</b>	Statement of Cash Flows
<b>66</b>	Financial Statements	<b>70</b>	Notes to Financial Statements
<b>66</b>	Statement of Financial Position	<b>81</b>	Schedule of Expenditures
<b>67</b>	Statement of Operations and Accumulated Surplus		





# MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements are the responsibility of the management of Manitoba Film & Sound Recording Development Corporation and have been prepared in accordance with Canadian public sector accounting standards. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available to the audit report date.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the

books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the external audit is to express an independent opinion on whether the financial statements of Manitoba Film & Sound Recording Development Corporation are fairly represented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

**On behalf of Management**

**Rachel Rusen**  
Chief Executive Officer

**Kevin Gabriel**  
Director, Finance & Administration

May 27, 2020



# INDEPENDENT AUDITOR'S REPORT



Tel: 204-956-7200  
Fax: 204-926-7201  
Toll-free: 866-863-6601  
[www.bdo.ca](http://www.bdo.ca)

BDO Canada LLP  
700 - 200 Graham Avenue  
Winnipeg MB R3C 4L5 Canada

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

## Opinion

We have audited the financial statements of Manitoba Film & Sound Recording Development Corporation (the "Organization") which comprise the statement of financial position as at March 31, 2020, and the statement of operations and accumulated surplus, changes in net financial assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

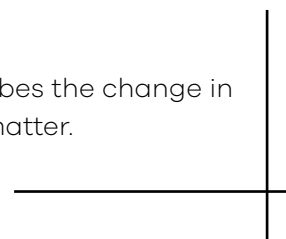
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020 and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

We draw attention to Note 3 of the financial statements, which describes the change in the accounting policy. Our opinion is not modified in respect of this matter.



## Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.

- 
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

## Chartered Professional Accountants

Winnipeg, Manitoba

May 27, 2020



# STATEMENT OF FINANCIAL POSITION

<b>MARCH 31</b>	<b>2020</b>	<b>2019</b>
<b>FINANCIAL ASSETS</b>		
Cash and bank (Note 4)	\$ 2,441,134	\$ 2,271,701
Portfolio investment (Note 5)	106,464	83,317
Accounts receivable	19,873	3,885
	<u>2,567,471</u>	<u>2,358,903</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	78,610	62,095
Employee future benefits (Note 6)	106,464	83,317
Carry-over commitments (Note 7)	1,938,953	1,674,884
	<u>2,124,027</u>	<u>1,820,296</u>
<b>NET FINANCIAL ASSETS</b>	<u>443,444</u>	<u>538,607</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	123,510	45,218
Tangible capital assets (Note 8)	101,699	77,940
	<u>225,209</u>	<u>123,158</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 668,653</u>	<u>\$ 661,756</u>

**Approved on behalf of the Board:**

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



# STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31	2020	2020	2019
	BUDGET	ACTUAL	ACTUAL
<b>REVENUE</b>			
Province of Manitoba	\$ 3,582,600	\$ 3,582,600	\$ 3,582,600
Other	40,000	229,589	75,081
	<u>3,622,600</u>	<u>3,812,189</u>	<u>3,657,681</u>
<b>EXPENDITURES (SCHEDULE)</b>			
Corporate services	244,801	237,442	242,117
Film commission/location services	347,524	370,534	336,489
Film and television programs	1,985,000	1,934,838	2,125,302
Industry support	191,500	211,850	213,682
Music programs	575,000	575,000	569,185
Program delivery - film/television, tax credits and music programs (Note 9)	746,430	856,491	716,790
	<u>4,090,255</u>	<u>4,189,155</u>	<u>4,203,565</u>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES BEFORE PROGRAM RECOUPMENTS</b>	(467,655)	(376,966)	(545,884)
<b>PROGRAM RECOUPMENTS</b> (Note 10)	200,000	383,854	243,506
<b>ANNUAL SURPLUS (DEFICIT)</b> (Note 11)	<u>\$ (267,655)</u>	<u>6,888</u>	<u>(302,378)</u>
<b>ACCUMULATED SURPLUS</b>			
Beginning of year		<u>661,765</u>	<u>964,143</u>
<b>ACCUMULATED SURPLUS</b> End of year		<u>\$ 668,653</u>	<u>\$ 661,765</u>





# STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED MARCH 31	2020	2020	2019
	BUDGET	ACTUAL	ACTUAL
ANNUAL SURPLUS (DEFICIT)	\$ (267,655)	\$ 6,888	\$ (302,378)
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(43,795)	(3,665)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	21,000	20,036	23,610
INCREASE IN PREPAID EXPENSE	-	(78,292)	(13,884)
DECREASE IN NET FINANCIAL ASSETS	<u>\$ (246,655)</u>	(95,163)	(296,317)
 <b>NET FINANCIAL ASSETS</b>			
Beginning of year		<u>538,607</u>	<u>834,924</u>
 <b>NET FINANCIAL ASSETS</b>			
End of year		<u>\$ 443,444</u>	<u>\$ 538,607</u>

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



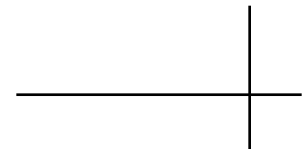
# STATEMENT OF CASH FLOWS

<b>FOR THE YEAR ENDED MARCH 31</b>	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 6,888	\$ (302,378)
Amortization	20,036	23,610
	<u>26,924</u>	<u>(278,768)</u>
<b>CHANGES IN NON-CASH WORKING CAPITAL BALANCES</b>		
Accounts receivable	(15,988)	(2,885)
Prepaid expenses	(78,291)	(13,884)
Accounts payable and accruals	16,515	(11,410)
Employee future benefits	23,147	25,632
Carry-over commitments	264,069	617,402
	<u>236,376</u>	<u>336,087</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Purchase of capital assets	(43,796)	(3,665)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
INCREASE IN PORTFOLIO INVESTMENT	(23,147)	(25,632)
INCREASE IN CASH AND BANK DURING THE YEAR	169,433	306,790
<b>CASH AND BANK</b>		
Beginning of year	2,271,701	1,964,911
<b>CASH AND BANK</b>		
End of year	<u>\$ 2,441,134</u>	<u>\$ 2,271,701</u>





# NOTES TO FINANCIAL STATEMENTS



## 1. Nature of the Organization

Manitoba Film and 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.

## 2. Summary of Accounting Policies

### **BASIS OF ACCOUNTING**

The financial statements have been prepared in accordance with Canadian public sector accounting standards (“PSAS”) as established by the Public Sector Accounting Board, and reflect the following significant accounting policies.

### **FINANCIAL ASSETS**

Accounts receivable are recorded at the lower of cost and net realizable value. An allowance for doubtful accounts is recorded when there is uncertainty whether the amounts will be collected.

Portfolio investments are investments that are capable of reasonably prompt liquidation and are recognized at cost.

### **LIABILITIES**

Liabilities are present obligations as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded at the estimated amount ultimately payable.

Pension benefit costs are determined using the projected benefit method prorated on years of service and based on best estimate assumptions.



## 2. Summary of Accounting Policies (continued)

### NON-FINANCIAL ASSETS

- (a) Prepaid expenses are payments for goods or services that will provide economic benefit in future periods. The prepaid amount is recognized as an expense in the year the goods or services are consumed.
- (b) Tangible 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%

### 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

Provincial government transfers for operating purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions are considered unearned until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer from the Province of Manitoba is authorized, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability for the Organization. Any unrestricted contributions or grants are recorded as revenue in the year received or in the years the funds are committed if the amount can be reasonably estimated and collection is reasonably assured. Other revenue are recognized as follows:

- a) Program Recoupments  
Any recovery of principal or return on investment of programs funded is recorded as program recoupments when received.
- b) 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.



## 2. Summary of Accounting Policies (continued)

### USE OF ESTIMATES

The preparation of financial statements in accordance with PSAS 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.

The Organization evaluated the impact of the COVID-19 outbreak at the reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered are the nature of long-lived assets, liquidation of current assets, carry-over commitments and ongoing funding from the provincial government. Based on its assessment, the Organization does not foresee a significant impact of COVID-19 in the near-future as it expects to receive funding from the province, will continue to honour the carry-over commitments, no major impairment effect on long-lived assets as these primarily represent office equipment, computers and furniture and the credit risk with respect to bank balance and investment are limited as it is held with reputable financial institution. Any variation to this judgment and estimate may impact actual and future results.

## 3. Change in Accounting Policy

Effective April 1, 2019, the Province of Manitoba has directed the Organization to change its basis of accounting from Canadian Government Not-for-Profit Organization standards, which includes sections PSAS 4200 to PSAS 4270, to PSAS without sections PSAS 4200 to PSA 4270. As a result of the adoption, the presentation of the financial statements changed from the prior year. This change in accounting policy has been applied retroactively with restatement of prior periods. The most significant changes as a result of adopting this basis of accounting include:

- The Organization's budget is presented in the Statement of Operations.
- The Statement of Financial Position presents financial assets and liabilities to determine a net financial assets position; non-financial assets are shown separately and the accumulated surplus or deficit is the sum of the above-noted amounts.
- Presentation of the Statement of Changes in Net Financial Assets which presents the activities which contributed to the change in net financial assets in the Statement of Financial Position.

For the year ended March 31, 2019, this change in accounting policy had no significant impact on the financial statements from amounts previously presented in the prior year's financial statements.



## 4. Cash and Bank

	<b>2020</b>	<b>2019</b>
Cash	\$ 502,181	\$ 596,817
Internally designated cash	1,938,953	1,674,884
	<b>\$ 2,441,134</b>	<b>\$ 2,271,701</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 7 for carry-over commitments.

## 5. Portfolio Investment

Portfolio investment consists of a guaranteed investment certificate with a maturity date of March 22, 2021, bearing interest at a rate of 0.60% per annum.

## 6. 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 \$54,246 (\$58,491 in 2019) 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, 2018.



## 6. Employee Future Benefits (Continued)

### b) Enhanced Pension Benefit Obligation (continued)

The pension obligation liability at March 31 included in accounts payable and accruals includes the following components:

	2020	2019
Accrued obligation liability		
Balance, beginning of the year	\$ 83,317	\$ 57,685
Current service costs	4,819	3,546
Interest cost	4,901	3,393
Effect of changes in assumptions	5,560	12,630
Experience gain and transitional adjustment	7,867	6,063
<b>BALANCE</b> End of year	<b>\$ 106,464</b>	<b>\$ 83,317</b>

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

	2020	2019
Current service costs	\$ 4,819	\$ 3,546
Interest cost	4,901	3,393
Effect of changes in assumptions	5,560	12,630
Experience gain and transitional adjustment	7,867	6,063
<b>BALANCE</b> End of year	<b>\$ 23,147</b>	<b>\$ 25,632</b>

Significant long-term actuarial assumptions used in the December 31, 2018 valuation and in the determination of the March 31, 2020 present value of the accrued pension obligation were:

	2020	2019
Discount rate	6.00%	6.00%
Rate of compensation increase	3.50%	3.75%

The Organization has internally designated its short-term investment (see Note 5) to meet its obligation for providing enhanced pension benefits to eligible employees.



## 7. 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, 2020 and prior years, which were not fully advanced as at March 31, 2020 are as follows:

	YEAR OF COMMITMENT				
	2019-2020	2018-2019	2017-2018 & Older	2020	2019
Development Financing Programs	\$ 85,225	\$ 10,792	\$ 3,370	\$ 99,387	\$ 80,277
Production Financing Programs	1,000,563	339,931	195,400	1,535,894	1,424,273
Emerging Talent Matching Funds	66,684	2,040	600	69,324	5,638
Feature Film Marketing Program	2,100	600	-	2,700	3,000
Access to Markets/Festivals	5,000	5,000	-	10,000	5,000
	<b>1,159,572</b>	<b>358,363</b>	<b>199,370</b>	<b>1,717,305</b>	<b>1,518,188</b>
Sound Recording Production Fund Level 1	3,963	760	-	4,723	9,280
Sound Recording Production Fund Level 2	49,698	14,250	800	64,748	43,988
Sound Recording Production Fund Level 3	19,000	8,500	-	27,500	28,400
Sound Recording Production Fund for Out-of-Province Artists	16,500	600	4,125	21,225	4,725
Music Video Fund	4,782	-	-	4,782	6,740
Record Product Marketing Fund	53,995	450	-	54,445	32,765
Recording Artist Touring Fund	28,675	-	-	28,675	19,248
Music Business Development Fund	-	8,550	-	8,550	8,550
Market Access Fund	3,000	-	-	3,000	3,000
Music Sponsorships	4,000	-	-	4,000	-
	183,613	33,110	4,925	221,648	156,696
<b>TOTAL COMMITMENTS</b>	<b>\$ 1,343,185</b>	<b>\$ 391,473</b>	<b>\$ 204,295</b>	<b>\$ 1,938,953</b>	<b>\$ 1,674,884</b>



## 8. Tangible Capital Assets

	2020			
	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
<b>COST</b>				
Computer equipment	\$ 85,546	\$ 11,987	\$ (533)	\$ 97,000
Equipment	11,440	5,976	(2,305)	15,111
Furniture and fixtures	65,866	433	(11,244)	55,055
Leasehold Improvements	146,236	-	-	146,236
Website	43,928	25,400	(2,500)	66,828
	353,016	43,796	(16,582)	380,230
<b>ACCUMULATED AMORTIZATION</b>				
Computer equipment	63,942	10,053	(533)	73,462
Equipment	10,609	1,039	(2,305)	9,343
Furniture and fixtures	60,103	1,712	(11,244)	50,571
Leasehold Improvements	97,604	6,143	-	103,747
Website	42,818	1,090	(2,500)	41,408
	275,076	20,037	(16,582)	278,531
<b>NET BOOK VALUE</b>	<b>\$ 77,940</b>	<b>\$ 23,759</b>	<b>\$ -</b>	<b>\$ 101,699</b>



## 8. Tangible Capital Assets (Continued)

	2019			
	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
<b>COST</b>				
Computer equipment	\$ 83,942	\$ 1,604	\$ -	\$ 85,546
Equipment	11,440	-	-	11,440
Furniture and fixtures	65,247	619	-	65,866
Leasehold Improvements	145,609	627	-	146,236
Website	43,113	815	-	43,928
	349,351	3,665	-	353,016
<b>ACCUMULATED AMORTIZATION</b>				
Computer equipment	53,677	10,265	-	63,942
Equipment	9,962	647	-	10,609
Furniture and fixtures	58,370	1,733	-	60,103
Leasehold Improvements	89,965	7,639	-	97,604
Website	39,494	3,324	-	42,818
	251,468	23,608	-	275,076
<b>NET BOOK VALUE</b>	<b>\$ 97,883</b>	<b>\$ (19,943)</b>	<b>\$ -</b>	<b>\$ 77,940</b>

## 9. 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 nothing. The cost to administer the MTC Program in the fiscal year was approximately \$78,111 (\$73,763 in 2019). A total of 125 projects submitted applications for processing during the 2020 fiscal year (133 in 2019).

## 10. Program Recoupments

During the year the Organization received total program recoupments of \$383,854 (\$243,506 in 2019) of which \$7,574 (\$2,003 in 2019) related to the Jump Start program. These Jump Start recoupments were reinvested into new projects during the year.







## 11. Budget

The Board approved its operating budget based on planned expenses and the use of unrestricted accumulated surplus to cover any deficit for the year.

## 12. 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 of Canada and the Winnipeg Film Group.

## 13. 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 2025. Future minimum annual payments are as follows:

2021	\$ 88,251
2022	88,251
2023	79,944
2024	33,599
2025	206



## 14. 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, portfolio investment 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**

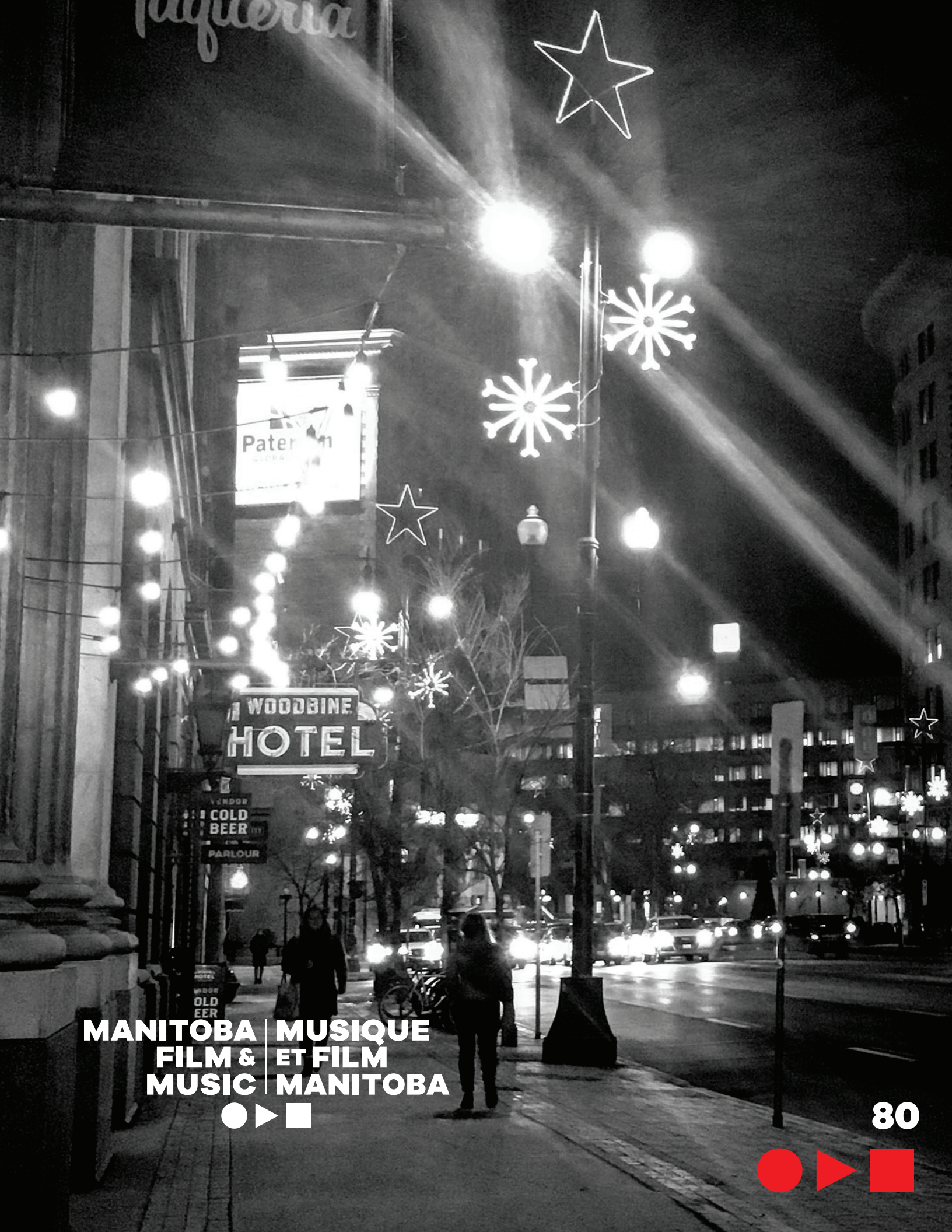
Liquidity risk is the risk that the Organization cannot meet its financial obligations associated with financial liabilities in full. The main source of the Organization's liquidity is government funding and various grants used to finance the Organization's operations and is adequate to meet the Organization's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

## 15. Comparative Figures

Certain of the comparative figures have been reclassified to provide better comparison with the current year's presentation.





Paquerra

PATERSON  
CLASSICAL

WOODBINE  
HOTEL

VENDOR  
COLD BEER  
PARLOUR

MANITOBA | MUSIQUE  
FILM & ET FILM  
MUSIC | MANITOBA



80



# SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31	2020	2020	2019
	BUDGET	ACTUAL	ACTUAL
<b>CORPORATE SERVICES</b>			
Salaries and benefits	\$ 164,342	\$ 159,681	\$ 165,020
Operating	80,459	77,761	77,097
	244,801	237,442	242,117
<b>FILM COMMISSION/LOCATION SERVICES</b>			
Salaries and benefits	226,547	263,416	223,944
Operating	120,977	107,118	112,545
	347,524	370,534	336,489
<b>FILM AND TELEVISION PROGRAMS</b>			
Development Funding	125,000	75,462	86,272
Production Financing	1,800,000	1,770,655	2,031,105
Emerging Talent Matching Fund	40,000	67,647	6,800
Feature Film Marketing	20,000	13,500	(878)
Jump Start	-	7,574	2,003
	1,985,000	1,934,838	2,125,302
<b>INDUSTRY SUPPORT</b>			
Film industry associations	30,000	50,000	50,000
Film sponsorships/partnerships	34,000	34,350	42,082
Music industry associations	105,000	105,000	105,000
Music sponsorship/partnerships	22,500	22,500	16,600
	191,500	211,850	213,682

CONTINUED ON NEXT PAGE ...



<b>FOR THE YEAR ENDED MARCH 31</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
<b>MUSIC PROGRAMS</b>			
Music Recording Production Levels 1-3	\$ 175,000	\$ 140,319	\$ 167,042
Music Business Development Fund	25,000	-	28,50
Music Video	40,000	34,656	44,791
Record Product Marketing Support	85,000	113,573	88,654
Recording Artist Touring Support	230,000	256,452	234,198
Sound Recording Production Fund for Out-of-Province Artists	20,000	30,000	6,000
	<u>575,000</u>	<u>575,000</u>	<u>569,185</u>
<b>PROGRAM DELIVERY - FILM/ TELEVISION, TAX CREDITS AND MUSIC PROGRAMS</b>			
Salaries and benefits	547,111	601,380	542,878
Operating	199,319	258,111	173,192
	<u>746,430</u>	<u>859,491</u>	<u>716,790</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,090,255</b>	<b>\$ 4,189,155</b>	<b>\$ 4,203,565</b>

