



**ONTARIO MEDIA DEVELOPMENT CORPORATION:  
ANNUAL REPORT 2008–09**

## WHO ARE WE?

The Ontario Media Development Corporation, an agency of the Ontario Ministry of Culture, is the organization through which Ontario supports the province's creative media industries.

### Table of Contents

Message from the Chair 2

Message from the President and Chief Executive Officer 3

The Year in Review

The Digital Economy 4 / Supporting Ontario Creative Media on the International Stage 6 / Promoting and Recognizing Talent at Home 14 / Funding Creative Media Industries 15 / Tax Support 17 / Proposed Enhancements in the March 2009 Budget 18 / Brokering Knowledge 19 / Looking Ahead 19

Program Recipients 2008–09 20

Board of Directors 31

Management's Responsibility for Financial Statements 32

Auditor's Report 33

Financial Statements 34

Notes to Financial Statements 38

Supplemental Information 44

### Our mandate is to stimulate employment and investment in Ontario by:

- ➔ contributing to the continued expansion of a business environment in Ontario that is advantageous to the growth of the cultural media industry and of new employment, investment and production opportunities in Ontario
- ➔ facilitating and supporting innovation, invention and excellence in Ontario's cultural media industry by stimulating creative production, format innovation and new models of collaboration among sectors of the cultural media industry
- ➔ fostering and facilitating cooperation among entities within the cultural media industry and between the public and private sectors to stimulate synergies in product development and the creation of products with original Canadian content
- ➔ assisting in the promotion and marketing of Ontario's cultural media industry as a world-class leader
- ➔ administering provincial tax credit programs and such other programs and initiatives as may be required by legislation or by a Minister of the Government of Ontario
- ➔ acting as a catalyst for information, research and technological development in the cultural media industry provincially, nationally and internationally

Critical to our success is ensuring our programs remain relevant and our administration efficient and effective. In 2008–09, we continued our long-term planning initiative through research, consultations and program development around the strategic themes of digital evolution, content and market development, market intelligence, access to capital and cross-sector collaboration.

We play a leading role not only in supporting creative media industries at home, but also in attracting foreign production to Ontario and showcasing our industries on the international stage. In 2008–09, participation in and applications for all OMDC programs reached record levels.

**IN THE MARCH 2009 ONTARIO BUDGET, THE GOVERNMENT AGAIN ENDORSED OUR PROGRAMMING APPROACH, WITH AN ADDITIONAL \$20 MILLION COMMITMENT TO OMDC FOR 2009–10, \$10 MILLION FOR AN OMDC-ADMINISTERED PILOT PROGRAM FOR INTELLECTUAL PROPERTY DEVELOPMENT AND ENHANCEMENTS TO OMDC TAX PROGRAMS, INCLUDING ABOUT \$100 MILLION IN ADDITIONAL TAX RELIEF. SHORTLY AFTER THE BUDGET, THE GOVERNMENT ANNOUNCED A \$12 MILLION, FOUR-YEAR EXTENSION TO OMDC'S ENTERTAINMENT AND CREATIVE CLUSTER PARTNERSHIPS FUND.**

## MESSAGE FROM THE CHAIR



To the Minister  
The Honourable Aileen Carroll  
Minister of Culture

Dear Minister Carroll,

On behalf of the Board of Directors of the Ontario Media Development Corporation, it is my privilege to submit the Annual Report for the year 2008–09.

Cultural media industries make a vital contribution to Ontario's economy.

With employment of 276,000 in 2008, Ontario has the third-largest entertainment and creative sector in North America, after California and New York. Ontario is also the leading province in film and television production, book and magazine publishing and sound recording. In addition, the Province is a respected competitor in the rapidly expanding global interactive digital media sector.

In the March 2009 Provincial Budget, the Government again endorsed OMDC's programming approach with a \$20 million commitment for 2009–10, \$10 million for Intellectual Property development, as well as enhancements to OMDC administered tax credits. The Government also announced a \$12 million, four-year extension to the Entertainment and Creative Cluster Partnerships Fund.

We are grateful to you and to the Ontario Government for your continuing support. We look forward to working with our stakeholders in the coming year to help ensure the continuing growth and success of Ontario's creative media industries.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin Shea'.

Kevin Shea  
Chair

## MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



Despite a challenging economic environment, 2008–09 was a year of significant achievements, both for Ontario's creative media industries and the Ontario Media Development Corporation.

OMDC's mandate is to stimulate jobs and investment and to promote original content creation for Ontario's six cultural media industries: book and magazine publishing, film and television, interactive digital media and sound recording. We do this through a combination of tax credits, funds, programs and services.

Ontario's creative cluster is the bedrock of the knowledge economy and has been recognized as the sector that will grow most significantly over the next 10 years. To achieve success in a rapidly evolving and competitive global arena, our creative industries require innovative and flexible programs to support their business objectives.

Following are just a few of the fiscal year's many highlights:

- ➔ The **OMDC Export Fund** helped support over 120 Ontario companies to attend 136 foreign markets.
- ➔ The **21<sup>st</sup> Annual Trillium Book Award** generated almost 9.6 million media impressions, helping to publicize the literary works of Ontario's talented authors across Canada.
- ➔ OMDC awarded \$2.3 million to 49 recipients of the **Screen-based Content Initiative** (which included \$200,000 from the City of Toronto) for early-stage development activities on 60 projects.

➔ **OMDC Film Fund** support totalled \$3.43 million. Every dollar invested by OMDC in production projects generated an additional \$26.11 in production financing for Film Fund films. These films generated more than 7,000 weeks of work, and seven Film Fund-supported films screened at the 2008 Toronto International Film Festival.

➔ The **Entertainment and Creative Cluster Partnerships Fund** awarded grants totalling \$3.3 million in 16 innovative projects, including *Spotlight on China* at Canadian Music Week; the Niagara Interactive Media Generator – or nGen for short – a new media incubator; and the AMCaT (Animating Motion Capture Capacity and Training) facility at Seneca College, to name a few.

➔ OMDC's second annual **From Page to Screen**, a cross-sector networking initiative designed to promote the screen adaptation of Ontario books, doubled the number of film and TV producers and publishers participating over the previous year and set up over 350 brokered meetings.

➔ OMDC's **Tax Credits** department issued more than 1,400 certificates with a value of more than \$207 million for projects valued at almost \$2 billion.

OMDC will continue to consult regularly with our government and industry stakeholders to ensure that we improve and build upon these successes. I would like to add my thanks to the Ministry of Culture for their ongoing support and to thank the staff of the OMDC for their hard work and dedication in ensuring our programs meet the needs of Ontario's burgeoning cultural media industries.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Karen Thorne-Stone'.

Karen Thorne-Stone  
President and Chief Executive Officer

# THE DIGITAL ECONOMY

Media organizations everywhere are re-evaluating business models as barriers between platforms – television, film, music, books and magazines – fall with the advent of digital technologies. Taking their place are opportunities that cross traditional boundaries, creating new synergies.

With a focus on cross-sector collaboration, OMDC is at the heart of this transformation. We work with the interactive digital media industry to further their interests at home and abroad. For example, in March, OMDC was a Presenting Partner of IN09 (formerly ICE) Interactive Content Exchange. IN has become the pre-eminent forum for the sharing of ideas, experience, strategies and business opportunities for the digital media sector.

## Support for online content

We continue to enhance the support we provide as the creative media sector moves product online. Through the Interactive Digital Media Fund and the Ontario Interactive Digital Media Tax Credit (OIDMTC), OMDC provides support for new interactive digital media products.

## Regulation and the new media

With the rise of digital media, the Canadian Radio-television and Telecommunications Commission (CRTC) is re-evaluating its approach to new media content; as a key stakeholder, OMDC participated in the CRTC hearings. We pledged continued support for Canadian content, emphasizing the importance of web and mobile digital connections to traditional media. Noting some of the disadvantages facing Canadian content developers in the digital age, we asked the CRTC to develop mechanisms to support content creation while continuing its hands-off approach to the regulation of online content.

## A digital makeover for the OMDC

We’re enhancing our own web-based technologies, revamping our website and launching new online services. In 2009–10, OMDC plans to launch an online research library and applications portal, part of ongoing efforts to provide better access to OMDC programs and information.

### Size of Interactive Digital Media Industry Ontario and Canada, 2008

Canada	Ontario
Number of Companies	
2,960	950 to 1,050
Employment (Full-Time Equivalents)	
51,000 to 52,500	16,000
Gross Revenue	
\$4.7 billion	\$1.3 to \$1.5 billion
Interactive Digital Media Revenue	
\$3.8 billion	\$1.1 to \$1.2 billion

Source: Nordicity, 2008 Canadian Interactive Industry Profile, pp. 9 and 97





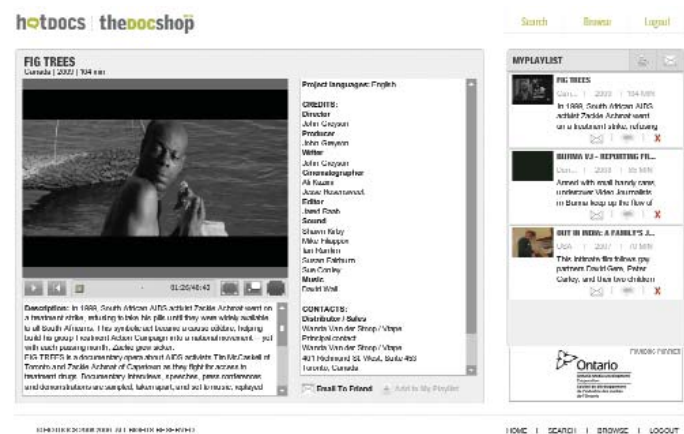
**“We’re thrilled to make this great leap forward in the services we offer and to solidify our role as an essential marketplace for the international documentary industry .... Telefilm Canada, The OMDC and all of our partners should be commended on their profound vision and their dedication to helping this groundbreaking project come to fruition.”**

**Hot Docs Executive Director Chris McDonald**

## The Doc Shop

The OMDC-supported Doc Shop was launched at the 2008 Hot Docs Festival. The Doc Shop is a digital/online film market funded through the Entertainment and Creative Cluster Partnerships Fund. The screening portal is used by buyers, commissioning editors, acquisition executives, distributors, sales agents and programmers. During the 2008 Festival, it attracted over 8,500 views in a 10-day period.

Sami Siva



## Screen-Based Content Initiative

In 2008–09, OMDC delivered the one-time *Screen-Based Content Initiative*, a program for film, television and interactive digital media content producers to support early stage development activities. The program attracted 169 applications from individual companies representing about 360 individual projects, making it one of our most highly subscribed program offerings. In all, 49 companies received \$2.3 million in development funding.



Ontario's vibrant game companies at the *Screen-Based Content Initiative* announcement (L to R): Raigan Burns of MetaNet Software Inc., Miguel Sternberg of Spooky Squid Games, Mare Sheppard of MetaNet Software Inc., Nathan Vella of Cappybara Games Inc., Christopher Harvey and Ryan MacLean from DrinkBox Studios Inc. and Keith Maske, Cerebral Vortex Games Inc. ↑

## SUPPORTING ONTARIO CREATIVE MEDIA ON THE INTERNATIONAL STAGE

OMDC's Export Fund and other initiatives help Ontario creative media reach a worldwide audience and develop international business by:

- ➔ providing financial assistance and support to Ontario firms to explore sales and financing opportunities and to participate in international markets and events
- ➔ sponsoring international marketing programs and events in partnership with other governments and industry associations
- ➔ developing strategic activities for targeted markets

The Fund has five strands – books, film and television, interactive digital media and music – and in 2008–09 provided over \$1,022,765 to Ontario firms.

**"OMDC EXPORT FUND HAS BEEN A HUGE HELP TO THE GROWTH OF MY BUSINESS. IT HAS DRAMATICALLY CHANGED THE WAY THAT WE DO BUSINESS. NOW WE LOOK MUCH MORE OUTSIDE OF THE COUNTRY FOR PARTNERS AND OPPORTUNITIES."**

**Barbara Barde, Up Front Entertainment**



## Film

OMDC is one of the largest public funders of the Toronto International Film Festival (TIFF)®. Held September 4–13, the 2008 Festival featured seven OMDC supported films. OMDC also contributed to the collective marketing efforts of Ontario films by providing support to producers and creating trailers, posters and postcards distributed through the sales office and at other TIFF® events.

During the film festival, OMDC delivered our third annual International Financing Forum (IFF). Sixty Canadian and international producers and 25 executives from around the world took part in over 700 brokered meetings and networking opportunities.

Two OMDC-supported films debuted at the 2008 Cannes Film Festival: *Blindness*, produced by Rhombus Media, was awarded the prestigious opening-night slot, the first time in 28 years a

Canadian film has been accorded the honour. Atom Egoyan's *Adoration* was in the official competition for the Palme d'Or and won the Ecumenical Jury Prize. OMDC-supported films were shown at other prestigious film festivals, including the Sundance Film Festival and Berlinale.

↓ IFF Country Spotlight Panel held during TIFF® (L to R): James Weyman (OMDC's Manager of Industry Initiatives), Alan Maher (Irish Film Board), Philip Alberstat (49 North Media), Guilherme Anders (Cesnik, Quintino & Salinas Advogados), and Sérgio Sá Leitão (Ancine / Agência Nacional do Cinema).



# ONTARIO

ONTARIO MEDIA DEVELOPMENT CORPORATION

## INVESTING IN ONTARIO'S MOST EXCITING FILMMAKERS

TIFF SPECIAL PRESENTATION  
**ADORATION**

TIFF SPECIAL PRESENTATION  
**BLINDNESS**

TIFF SPECIAL PRESENTATION  
**HEAVEN ON EARTH**

TIFF REAL TO REEL  
**EXAMINED LIFE** (Documentary)

TIFF GALA PRESENTATION  
**ONE WEEK**

TIFF CONTEMPORARY WORLD CINEMA  
**TORONTO STORIES**

TIFF CANADA FIRST!  
**REAL TIME**

Ontario  
Ontario Media Development Corporation  
Secrétariat du développement  
de l'industrie des médias  
de l'Ontario

**OMDC is proud to support the Toronto International Film Festival®**

\*Toronto International Film Festival is a registered trademark of Toronto International Film Festival Inc.

**You belong here**  
[www.omdc.on.ca](http://www.omdc.on.ca)

**"IFF WAS A LUCRATIVE OPPORTUNITY DURING TIFF TO CONNECT WITH AN IMPRESSIVE SELECTION OF SALES AGENTS, FINANCIERS AND INTERNATIONAL COLLEAGUES TO LAUNCH A NEW PROJECT INTO THE GLOBAL MARKETPLACE."**

**Damon D'Oliveira, Conquering Lion Productions, Canada**

**"As part of the group from LA, thank you all again for all of your efforts on our behalf and for the extraordinary attention to every single detail that went into making this such a memorable trip. Everything about it was perfect .... Toronto is definitely on the radar around here!"**

**Eve Honthaner, Dreamworks**

### Attracting screen-based production to Ontario

The Film Commission at OMDC markets Ontario's diverse locations, skills, expertise and value for money as a film and television centre for domestic and international productions. The Commission provides free location scouting and assistance to productions considering locating in Ontario. During 2008–09, the Film Commission provided location scouting and support services to 154 productions.

OMDC's Digital Locations Database allows film and television producers from around the world to scout Ontario locations 24 hours a day. With over 170,000 images representing 8,000 locations across the province, the Database has attracted almost 15,000 visits by location scouts and resulted in the creation of 699 packages.

### Toronto Studio Tour

2008 saw the opening of FILMPORT, now known as Pinewood Toronto Studios, Toronto's mega-film centre, which offers 260,000 square feet of state-of-the-art facilities, including seven sound stages, production offices and other support spaces. In advance of the public opening, OMDC coordinated a VIP Studio Tour of Toronto film and TV facilities. Attendees included production executives from 14 Hollywood studios, networks and major independent companies, including Warner Brothers, Paramount, DreamWorks, Fox, NBC/Universal, HBO and ABC Studios.

In January 2009, in conjunction with Computer Animation Studios of Ontario (CASO), OMDC led a three-day trade mission to Los Angeles, introducing Ontario visual effects firms to major Hollywood studios and network decision makers. OMDC also provided support to the Mayor of Toronto's film and television mission to Los Angeles at the same time.



**Top:** Toronto Studio Fam Tour Reception (L to R): Ron Estey from C.O.R.E. Digital Pictures/CASO, Betsy Megel from Paramount Pictures, Tom Turnbull from Rocket Science VFX/CASO and Andi Isaacs from Summit Entertainment at the Director's Guild of Ontario reception held during the Studio Fam Tour

**Bottom:** LA Trade Mission (L to R) Dennis Berardi (Mr. X), Christa Tazzeo (CASO), Candice Day (C.O.R.E Digital Pictures), Kristine Murphy (OMDC), Neishaw Ali (Spin Productions), Neil Williamson (Invisible Pictures), Paul Moyer (OptixDigital), Anthony Paterson (Rocket Science VFX), Donna Zuchlinski (OMDC) and Clint Green (Keyframe Digital)



Despite an overall decline in film activity in Ontario in 2008 due to external factors, including US labour issues, the outlook for 2009 is promising, with a steady rise in scouting activity over the year before and an increase in domestic activity, in particular television series.

2008-09 Production Activity

Ownership		
Domestic	<div></div>	\$551,231,772
Foreign	<div></div>	\$206,112,577

2008-09 Breakdown of Production Activity by Format

Format by Ownership		
TV Series Foreign	<div></div>	\$23,284,521
TV Series Domestic	<div></div>	\$446,150,031
MOW's Foreign	<div></div>	\$35,103,775
MOW's Domestic	<div></div>	\$72,354,710
Features Foreign	<div></div>	\$147,724,281
Features Domestic	<div></div>	\$32,727,030

2008-09 Breakdown of Production Activity by Production Type

Production Type by Ownership		
Live Action Foreign	<div></div>	\$140,930,631
Live Action Domestic	<div></div>	\$472,146,819
Animation Foreign	<div></div>	\$65,181,946
Animation Domestic	<div></div>	\$79,084,953



Left: 2008 Gemini Award winner for Best Children's or Youth Fiction Program or Series, Degrassi: The Next Generation (Epitome Pictures Inc.) | ↑  
Right: The Border (White Pine Pictures)

OMDC helps the music industry reach international markets by supporting the Canadian Independent Record Production Association's (CIRPA's) international missions, which represented Ontario's music industry at the Canada Stand at Popkomm, Germany, at MIDEF in Cannes, France, and at London Calling, the UK's premier international music business event. We also sponsored CIRPA's second mission to Asia in Tokyo. In 2008, 20 companies generated \$1.4 million in new business and 91 deals from the mission. Twelve of the 19 companies on the mission were from Ontario.

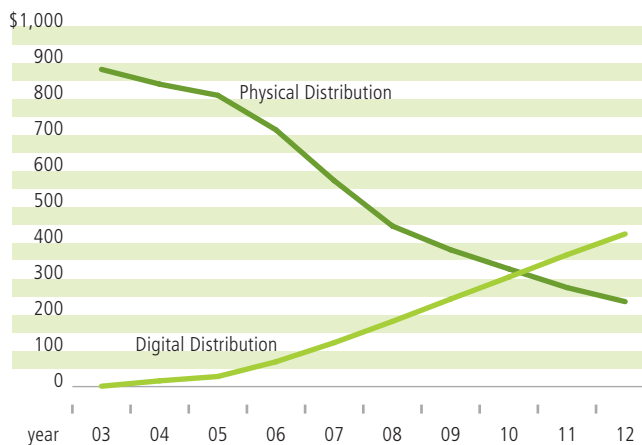
At MIDEF, the largest international music business tradeshow, Ontario had a significant presence, including the annual Ontario reception hosted by OMDC with over 200 international VIPs in attendance. The attendees reported that 47% of all new contacts made at MIDEF were made at this OMDC reception. As well, OMDC, with CIRPA and Canadian Music Week (CMW) hosted the first-ever showcase of Ontario artists, under the Canadian Blast banner.

OMDC was also represented at the SXSW Music and Media Conference in Austin, Texas, and sponsored an Ontario Artist Showcase there that attracted hundreds of industry VIPs.

### Canadian Music Week

OMDC sponsored events at the 2009 Canadian Music Week (CMW) in Toronto, the largest music conference dedicated to the Canadian music industry. We also sponsored the International Marketplace at CMW, bringing delegates from around the world to do business with Ontario-based companies and artists. Now in its sixth year, the event drew 400 international delegates over four days, a 15% increase over 2008.

### Canadian Recorded Music Market: Physical vs. Digital Distribution, 2003–12 | US dollars (\$millions)



Source: PwC, Global and Entertainment and Media Outlook, 2008–12, p. 344



**Top:** SXSW – The OMDC Showcase at Canada House was a hit, with over 150 international VIPs turning out to see solid sets from a number of performers on Ontario labels, including The Arkells (Dine Alone Records). (Photos courtesy of Duncan McKie)

**Middle:** OMDC-supported CIRPA Japan Music Mission a noteworthy success for promoting artists in Ontario! The Trews – Bumstead Productions Ltd. (Toronto) (Photos courtesy of Duncan McKie)

**Bottom left:** at the 2009 Canadian Radio Music Awards held during CMW, the Best New Group/Solo Artist (Hot AC) of the Year: Lights! Drive my Soul

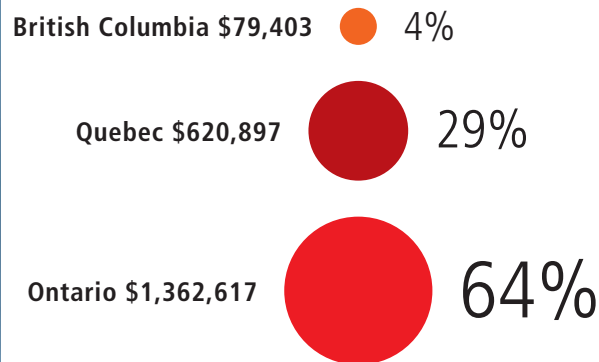
**Bottom right:** FACTOR Breakthrough Artist of the Year Justin Hines

In 2008, OMDC supported the International Festival of Authors at Harbourfront in Toronto for a new component of programming which brought international publishers to the event and enabled one-on-one meetings with Ontario publishers. At Book Expo Canada, held in Toronto in June 2008, OMDC sponsored the Ontario Book Summit, which featured sessions on international best business practices and explored different publishing models in various countries.

On March 6, 2009, OMDC presented the second annual *From Page to Screen*, a brokered networking cross-sectoral initiative connecting publishers with film and TV producers. Twice as many producers attended this year, reflecting the screen industries' growing demand for content, and over 350 meetings were arranged.

### Canadian Book Publishing Operating Revenues by Region, 2007 | Total Revenue = \$2.1 Billion

(expressed in chart as thousands of dollars)



Source: Statistics Canada, "Book Publishers 2007," Catalogue no. 87F0004X, Table 1, April 2009.



Top: OMDC's Annual *From Page to Screen* brokered meetings – Michael McNamara, Markham Street Films, with Gillian Fizet and Barbara Howson, Groundwood Books

Bottom: Catherine Mitchell, Tundra Books, and Robin Cass, Triptych Media



Game developers are an increasingly important part of Ontario's creative media sector. We helped 12 developers attend the Game Developers Conference in San Francisco, the world's largest event dedicated to the advancement of interactive entertainment, which attracted more than 17,000 game industry professionals.

"If you ever need actual, quantifiable proof of the success of the OMDC's programs, look no further than our studio. Capybara Games began life as a tiny unknown mobile developer and has grown into an award-winning 20+ person studio developing titles for PlayStation Network, Xbox Live Arcade, Wiiware, Nintendo DS and iPhone – a growth directly linked to the assistance of the OMDC's effective programs.

"Programs such as the Export Fund allowed us to attend industry conferences and trade shows, giving us the venue to network and to convince publishers to work with us. Programs like the Interactive Digital Media Fund allowed us to develop Ontario-owned intellectual property and make a real name for ourselves as a talented, creative studio to watch. Programs like the *Screen-based Content Initiative* allowed us to invest in creating prototypes for the ideas we feel will continue to grow our reputation in the industry.

"In short, the OMDC's programs have supported and nurtured our studio's growth – something we are very grateful for."

**Nathan Vella, Co-founder and President of Capybara Games**



Ontario-based Capybara Games, an IDM Fund recipient, was broadly recognized for its mobile game, Critter Crunch, winning Game of the Year and Achievement in Audio at the IGF Mobile Awards and Best Puzzle Game and Biggest Surprise at IGN's Best of 2007 Award. ↑

**“Those of us at *The Walrus* who have the pleasure of working with the OMDC granting process believe it is one of the few grants in Canada that has both the immediate impact on a magazine’s bottom line and provides a sustainable impact on development of revenue-generating programs.”**

Chris Ellis, The Walrus Foundation



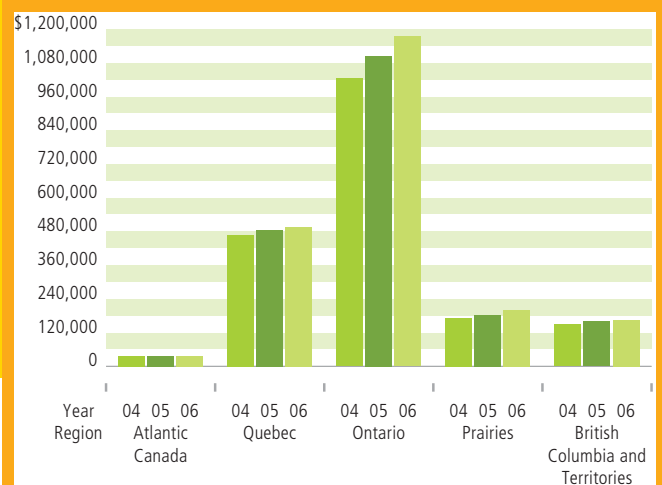
## Magazines

Magazines based in Ontario typically win the lion’s share of national awards and recognition, and 2008 was no exception. Ontario-based *The Walrus* took top honours at this year’s National Magazine Awards with six gold and four silver awards.

Two information-sharing and strategy conferences for magazine publishers – MagsU and MagNet, both held in Toronto in June – received financial support from OMDC. We also provided support to Magazine Canada’s Best on Page event, held in March 2009, which was an exhibition of worldwide award-winning magazine ads reflecting the creativity and quality of the magazine medium.

## Canadian Periodical Publishing Revenues by Region, 2004–06

Revenues (in thousands of Canadian dollars)



Source: Statistics Canada, “Periodical Publishing, Data Tables,” Catalogue no. 87F0005X, Table 1, March 2008.



# PROMOTING AND RECOGNIZING TALENT AT HOME

## Celebrate Ontario

The Toronto International Film Festival® attracts industry executives and producers from around the globe. We honour and recognize Ontario-based artists and productions through Celebrate Ontario, which this year saluted the seven OMDC Film Fund-supported features programmed at TIFF®. More than 350 industry stakeholders, along with government, business, academic and media leaders, were in attendance.

## Trillium Book Award/Prix Trillium

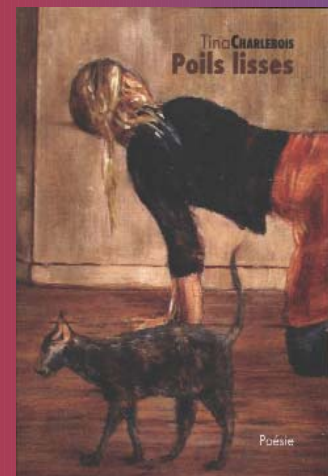
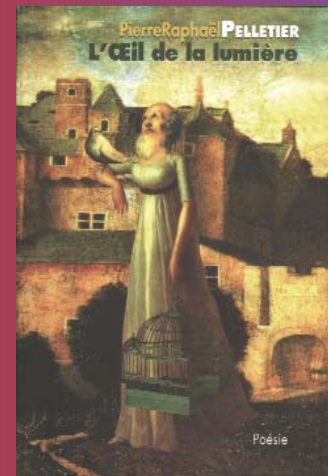
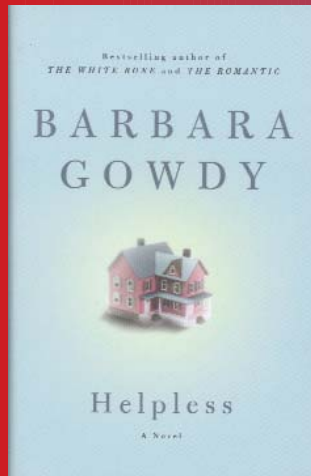
June 2008 marked the 21st anniversary of the Trillium Book Award/Prix Trillium, hosted and managed by OMDC. The award recognizes and showcases the literary excellence of Ontario authors. The 2008 winners were announced on June 12 at a luncheon at Hart House in Toronto. On the previous evening, the finalists were celebrated at a packed public reception at Toronto's Harbourfront Centre, hosted by OMDC in association with International Readings at Harbourfront, at which 16 of the 17 finalist authors read excerpts from their works.

The 2008 Trillium Book Award/Prix Trillium winners were:

- ➔ English-language fiction: Barbara Gowdy, *Helpless* (HarperCollins Publishers)
- ➔ French-language fiction: Pierre Raphaël Pelletier, *L'Œil de la lumière* (Les Éditions L'Interligne)
- ➔ English-language poetry: Rachel Zolf, *Human Resources* (Coach House Books)
- ➔ French-language poetry: Tina Charlebois, *Poils lisses* (Les Éditions L'Interligne)



Award-winning Ontario filmmaker Deepa Mehta's keynote address at OMDC's Celebrate Ontario event at TIFF®



Celebrating Ontario literary excellence at the 21st Trillium Book Awards: Back row (L to R): Robert Hough, Lorna Goodison, Michèle Vinet, Ray Robertson, Barbara Gowdy, Rachel Zolf, Gil Adamson, Christian Milat, Gilles Lacombe, Tina Charlebois. Centre: Rob Winger, Dennis Lee. Front row: Pierre Raphaël Pelletier, Michel Dallaire, Andrée Christensen, Emily Schultz

# FUNDING CREATIVE MEDIA INDUSTRIES

## A pat on the back for OMDC

OMDC itself was also recognized. Our team of James Weyman, Keely Kemp, Matt Hilliard-Forde, Kim Gibson, Shari Cohen, Martin Harbury and Janet Hawkins and their Ministry colleagues won an Ontario Public Service OPUS Award in the Best Team category for their outstanding leadership and teamwork in the launching and administering of the Entertainment and Creative Cluster Partnerships Fund.

The Entertainment and Creative Cluster Partnerships Fund provided support to 16 initiatives, awarding grants totalling \$3.3 million in 2008–09, the third cycle of the fund.

**SPOTLIGHT ON ASIA, SUPPORTED BY THE ENTERTAINMENT AND CREATIVE CLUSTER PARTNERSHIPS FUND, IS A TWO-PHASE INITIATIVE DESIGNED TO EXPAND CANADA'S AND ONTARIO'S TRADITIONAL MUSIC EXPORT MARKETS. THROUGH INBOUND MISSIONS TO CANADIAN MUSIC WEEK (CMW) IN 2009 FROM CHINA AND JAPAN, AND 2010 FROM INDIA, SPOTLIGHT ON ASIA WILL OPEN UP NEW SALES TERRITORIES FOR CANADIAN MUSIC COMPANIES (OF WHICH 70% ARE ONTARIO-BASED).**

This year 2008 marked the one-year anniversary of Green Screen Toronto, a Partnerships Fund initiative promoting environmentally sustainable practices across all aspects of Toronto and Ontario film production. In celebration, Green Screen Toronto premiered its new website and logo. Two reports were released: *Environmental Assessment of Film-Based Industries* and *Green Practices Handbook*. The *Green Practices Handbook* is the first environmental assessment of the country's film and television industry.

We presented *Spotlight on China* at Canadian Music Week (CMW), which hosted a Chinese delegation of 28 companies and which brokered over 260 one-on-one meetings between companies from China and Ontario.



↑ OMDC was proud to present *Spotlight on China*. A Chinese delegation of 28 companies attended CMW as a result of funding through the Entertainment and Creative Cluster Partnerships Fund.

The OMDC Music Fund provided \$400,000 to 16 independent music labels and music publishers to finance business development projects.

We provided \$862,500 to 37 Ontario-based magazine publishers through the Magazine Fund. Total funding for Ontario-based magazine publishers and trade organizations amounted to \$1.3 million.

The March 2009 budget included enhanced funding for the Interactive Digital Media Fund over the next four years. The first call for applications for the Fund went out in mid-March 2009, with a second cycle to be launched in August, 2009.

Through the Film Fund, OMDC invested \$3.8 million to help the development and production of 15 feature films and 16 other projects, including two documentaries, in the late development stages. At the end of 2008–09, the Fund had provided support to 46 production projects and 42 development projects since its inception in 2005.

Through the Book Fund, we invested over \$1.14 million in 39 Ontario publishers to support new marketing initiatives.

**"THE SUPPORT AND GUID-  
ANCE THAT THIS PROGRAM  
PROVIDES IS THE SORT OF  
GOVERNMENT LEADERSHIP  
THAT IS REQUIRED TO HELP  
STIMULATE SMALL BUSINESS  
AND THEREFORE HELP DRIVE  
THE ECONOMY."**

**Neil Kaplan, R.K. Publishing Inc.**

## TAX SUPPORT

OMDC and the Ministry of Finance/Canada Revenue Agency (CRA) co-administer refundable tax credits for the film, television, digital media, book publishing and music industries.

Tax credits remain a vital service for the province's creative and entertainment sectors. OMDC issued 1,428 tax credit certificates in 2008–09, a 31% increase from the year before and covering 1,535 projects. The number of tax credit applications received continued to rise this year, for a total of 1,232 applications. This marks the fifth year in a row that the Tax Credits department has seen the number of applications increase. From 2004–05 to 2008–09, the number of applications received has increased by 61%, with the fastest growth rate witnessed in ODMTC and OCASE. At an estimated \$207.8 million in 2008–09, the tax credit program delivers the widest and most significant impact to Ontario's cultural media industries.

This year the Tax Credits department began to measure cycle time in accordance with methodology used in other Canadian jurisdictions. Processing time until certification was measured from the date the applicant submitted a complete application with all required documentation. The overall average cycle time for the year was 6.4 weeks from application complete date to issuance of a certificate, compared with 4.4 weeks in the prior year.

Under CTAR (the Corporate Tax Administration Redesign) the province's corporate tax system became harmonized with the federal government for all companies filing their tax returns for years ending in 2009. In advance of this, Ontario entered into a "pre-harmonized" phase on April 3, 2008, at which time the Canada Revenue Agency (CRA) began integrated services with the Ontario Ministry of Revenue (OMoR). The Tax Credits department worked closely with OMoR on administrative issues related to the harmonization.

Working with the Ministries of Finance and Culture and with stakeholders, we continue to look for ways to enhance the programs and to improve their administration. In February 2009, the provincial government announced that the enhanced rates of 35% for the Ontario Film and Television Tax Credit and 25% for the Ontario Production Services Tax Credit would become permanent. The Provincial Budget of March 26, 2009, reconfirmed this commitment and also announced enhancements to several other credits. Throughout 2008–09 we offered 22 information sessions concerning available tax credits.

### ➔ **Ontario Film and Television Tax Credit (OFTTC):**

a 35% refundable tax credit is available to eligible Ontario-based Canadian corporations on qualified Ontario labour expenditures for eligible film and television productions

### ➔ **Ontario Production Services Tax Credit (OPSTC):**

a 25% refundable tax credit available to eligible Ontario-based Canadian and foreign-controlled corporations on qualified Ontario labour expenditures for eligible film and television productions

### ➔ **Ontario Computer Animation and Special Effects**

**Tax Credit (OCASE)\*:** a 20% refundable tax credit available to Ontario-based Canadian and foreign-controlled corporations on qualifying Ontario labour expenditures for digital animation and digital effects created in Ontario for film and television productions

### ➔ **Ontario Interactive Digital Media Tax Credit**

**(OIDMTC)\*:** a 40%\* refundable tax credit for corporations that develop and market their own products regardless of the size of the corporation, and a 35%\* refundable tax credit for corporations that develop products under a fee-for-service model, available to eligible Ontario-based Canadian and foreign-controlled corporations on eligible expenditures for interactive digital media products created in Ontario

➔ **Ontario Book Publishing Tax Credit (OBPTC)\*:** a 30% refundable tax credit available to eligible Ontario-based Canadian corporations on eligible expenditures for eligible literary works by Canadian authors

➔ **Ontario Sound Recording Tax Credit (OSRTC):** a 20% refundable tax credit available to eligible Ontario-based Canadian corporations on qualifying production and marketing expenditures for eligible sound recordings performed by an emerging Canadian artist or group

\*Proposed enhancements of Tax Credits in the March 26, 2009, Budget



# PROPOSED ENHANCEMENTS IN THE MARCH 2009 BUDGET

## OCASE

- ➔ Eligible labour expenditures incurred after March 26, 2009, to be expanded to 100% of the amounts paid to arm's-length unincorporated individuals and partnerships providing freelance services (previously only 50% had been eligible)
- ➔ Eligible labour expenditures incurred after March 26, 2009, to be expanded to 100% of the amounts paid to arm's-length incorporated individuals providing freelance services (previously these amounts had not been eligible)
- ➔ Effective after March 26, 2009, the requirement that an eligible animation or visual effect must be created primarily with digital technologies will be relaxed

## OBPTC

- ➔ Effective after March 26, 2009, qualifying expenditures expanded to include any number of books by a Canadian author in an eligible category of writing (previously the credit could only be claimed on an author's first three works of writing per eligible category)
- ➔ Effective after March 26, 2009, qualifying expenditures expanded to include direct expenses that reasonably relate to publishing an electronic version of an eligible book

## OIDMTC

- ➔ Rate to be increased to 40% for expenditures incurred after March 26, 2009, by qualifying corporations that develop and market their own products, regardless of the size of the company (previously the rate had been 25% for qualifying corporations and 30% for qualifying small corporations)
- ➔ Rate to be increased to 35% for expenditures incurred after March 26, 2009, for qualifying corporations that develop eligible products under a fee-for-service arrangement (previously the rate had been 25%)
- ➔ Qualifying expenditures incurred after March 26, 2009, to be expanded to 100% of the amount paid to eligible arm's-length contractors (previously only 50% had been eligible)
- ➔ Effective after March 26, 2009 the requirement that a corporation must be arm's-length with the purchaser corporation, and the requirement to develop all or substantially all of the eligible product will be relaxed for digital media game developers that incur a minimum of \$1 million of eligible labour expenditures over a 36-month period for fee-for-service work done in Ontario for eligible products

## 2008-09 TOTAL

	Applications Received	Number of Certificates Issued	Number of Projects	Total Value of Estimated Tax Credits	Project Value
OBPTC	361	271	271	\$1,765,624	\$6,133,113
OSRTC	193	589	229	\$3,294,790	\$33,310,231
OFTTC	419	361	361	\$136,855,929	\$923,616,156
OPSTC	78	73	73	\$31,547,976	\$710,697,766
OCASE	78	60	271	\$21,938,172	\$247,378,290
OIDMTC	103	74	330	\$12,424,545	\$78,487,009
Grand Total for All Tax Credits 2008-09	1,232	1,428	1,535	\$207,827,036	\$1,999,622,565

### Notes:

OCASE and OIDMTC applications are based on the applicant's fiscal year of activity and may include multiple productions. Up to 3 OSRTC certificates, for each fiscal year, are issued for each album.

Total Value of Estimated Tax Credits reflects certificates issued in the fiscal year, NOT production activity in that period.

## BROKERING KNOWLEDGE

As well as providing financial support, OMDC funds research that offers insight into the future of the province's creative industries. Among the reports released in 2008–09:

- ➔ *Canada Online! The Internet, Media and Emerging Technologies*
- ➔ *A Strategic Study of the Magazine Industry in Ontario*
- ➔ *A Strategic Study for the Music Industry in Ontario*
- ➔ *A Strategic Study for the Book Publishing Industry in Ontario*
- ➔ *Ontario 2012: Stimulating Growth in Ontario's Digital Game Industry*
- ➔ *An Overview of the Financial Impact of the Canadian Music Industry*
- ➔ *Economic Profile of the Ontario Computer Animation and Visual Effects Industry*



- ↑ On April 30, 2008, OMDC hosted our first annual "Did You Know?" Research Showcase. Cross-sector knowledge sharing was encouraged at the event, where key trade organizations presented highlights from their studies, including Mark Jamison, President of Magazines Canada.

## LOOKING AHEAD

New technologies are breaking down barriers. We are continually seeking ways to help Ontario creative media firms profit from the opportunities presented by these changes. Programs such as the Interactive Digital Media Fund and the Entertainment and Creative Cluster Partnerships Fund promote new types of business models and innovative content.

The transformation of Ontario's entertainment and creative cluster continues. Through our long-term strategic planning initiative, we will ensure that OMDC supports firms as they adapt and prosper. Our strategic focus on cross-sectoral and cross-content collaboration among Ontario's creative media industries can make a significant contribution to putting Ontario at the forefront of the creative economy.

At the same time, we continue to promote and market Ontario's cultural media industries, both at home and abroad.

- ↓ Ontario's Entertainment and Creative Cluster Partnerships Fund, co-administered by OMDC and the Ministry of Culture, has enabled technological development and education in the field of film and television production. Recent recipients Seneca College and Fast Motion Media Group were able to launch a fully outfitted motion-capture studio, Animating Motion-Capture Capacity and Training (AMCaT) in Toronto. Neil Davison, Director of Operations, and Cheryl Quiacos of Fast Motion Studios demonstrate motion-capture technique.



# PROGRAM RECIPIENTS 2008–09

## Domestic Markets and Events

Activity	Applicant
Canadian Music Week 2009	Canadian Music Week
CINEFEST SUDBURY FILM FESTIVAL – Industry Forum 2008	Cinefest: The Sudbury International Film Festival Inc.
From Page to Screen	OMDC
HOT DOCS 2008	Hot Docs – Canadian International Documentary Festival
International Financing Forum (IFF) at TIFF 2008	OMDC
nextMEDIA – Monetizing Digital Media 2008	Achilles Media Ltd.
North By Northeast Music + Film Festival + Conference	North by Northeast Conferences Inc. (NXNE)
Planet in Focus: International Environmental Film and Video Festival	Planet in Focus Inc.
Playback Innovations Forum 2008	Brunico Communications
Reel Canada – Our Films in Our Schools	Canadian Films in the Schools Inc.
ReelWorld Networking Brunch	ReelWorld Festival and Foundation
Sales Office 2008	Toronto International Film Festival Group® (TIFF)
Strategic Partners 2008	Atlantic Film Festival
Stylus Spinfest Conference 2008	Stylus Group Inc.
Summer Institute of Film and Television (SIFT) 2008	Canadian Screen Training Centre
Television Animation Conference (TAC)	Ottawa International Animation Festival
Vortex – The Game Competition – Review and Report	McLuhan Global Network Conferences
Worldwide Short Film Festival 2008	Canadian Film Centre (CFC)

## Trade Organization Support

Activity	Applicant
22nd Annual Ontario Council of Folk Festivals Conference	Ontario Council of Folk Festivals
Association of Canadian Publishers Wiki and Forum PD System	Association of Canadian Publishers
Book Summit 2008: Another Country	Book and Periodical Council
Canada Stand at MIDEM	Canadian Independent Music Association (CIMA) formerly CIRPA
Canada Stand at Popkomm 2008	Canadian Independent Music Association (CIMA) formerly CIRPA
Canada Stand/Canadian Blast LONDON CALLING	Canadian Independent Music Association (CIMA) formerly CIRPA
Canadian Music Mission to Asia 2008	Canadian Independent Music Association (CIMA) formerly CIRPA
Cooperative Direct Marketing Campaign	Magazines Canada
Curriculum Linking Project	Organization of Book Publishers of Ontario (OBPO)
Doc Mentorship at Hot Docs 2009	Documentary Organization of Canada (DOC)
Film Circuit 2008	Toronto International Film Festival Group (TIFF)
GameON! Finance	Interactive Ontario
iLUNCH Series	Interactive Ontario
IN 2009 – Interactive Content Exchange	Interactive Ontario

(continued)



(Trade Organization Support continued)

International Festival of Authors I.V. Program	International Readings at Harbourfront Inc.
International Marketing Database	Canadian Independent Music Association (CIMA) formerly CIRPA
Magazines University and Workshops	Canadian Business Press (CBP)
MagNet 2008	Magazines Canada
Marketing Partnership with Word On The Street 2008	Organization of Book Publishers of Ontario (OBPO)
Music Managers Forum (MMF) Canada's Rountable at CMW 2009	Music Managers Forum Canada
Northern Ontario Music and Film Conference	Music and Film in Motion
National Screen Institute Drama Prize	National Screen Institute
Ontario Industry Support Program	Magazines Canada
Ontario Newsstand Marketing Project 2008–09	Magazines Canada
Open Book	Organization of Book Publishers of Ontario (OBPO)
Publisher Support for Book Summit 2008	Reed Exhibitions
South by Southwest (SXSW) 2009	Canadian Independent Music Association (CIMA) formerly CIRPA
Word On The Street – Toronto (WOTS ) Canadian Magazine Tent	Magazines Canada

## OMDC Export Fund Recipients

The Export Fund has five strands – books, film and television, interactive digital media and music – and in 2008–09 provided over \$1,022,765 to Ontario firms. Results for this program are measured by the value of sales and pre-sales made for cultural projects and by evaluating the success of participants in achieving the objectives set out in their applications. In 2008–09, the Export Fund supported 120 companies to attend 136 international markets. Confirmed sales by 2008–09 Export Fund participants stood at \$123.2 million as of September 30, 2009.

1. Annick Press Ltd.	13. James Lorimer & Company Limited
2. Biblioasis	14. Kids Can Press Ltd.
3. Canadian Scholars' Press Inc.	15. Les Éditions du Vermillon
4. CCNM Press Inc.	16. Manor House Publishing Inc.
5. Clements Publishing	17. McArthur & Company Publishing Limited
6. Coach House Books Inc.	18. McClelland & Stewart Ltd.
7. Crabtree Publishing Company Limited	19. Owlkids Books, formerly Maple Tree Press Inc.
8. Dundurn Press Limited	20. Rainbow Horizons Publishing Inc.
9. ECW Press Ltd.	21. Sara Jordan Publishing
10. Groundwood Books Limited	22. Second Story Feminist Press Inc.
11. House of Anansi Press Inc.	23. Tundra Inc. o/a Tundra Books
12. Insomniac Press Ltd.	

### OMDC Export Fund – Film Recipients

1. Alcina Pictures Ltd.	11. Markham Street Films Inc.
2. Amaze Film + Television Inc.	12. New Real Films Inc.
3. Conquering Lion Pictures Inc.	13. Platinum Image Film
4. Copperheart Entertainment Inc.	14. Quiet Revolution Pictures Inc.
5. Corey Marr Productions Inc.	15. Six Island Productions Inc.
6. Corvid Pictures Inc.	16. SK Films Inc.
7. Foundry Films Inc.	17. Sphinx Productions
8. Hellhound Productions Inc.	18. Straight Edge Films Inc.
9. January Films Ltd.	19. Stromhaus Productions Ltd.
10. Lumanity Productions Inc.	20. Triptych Media Inc.

### OMDC Export Fund – Television Recipients

1. 1207554 Ontario Inc. dba In Sync Video	19. Keyframe Digital Productions Inc.
2. Amberwood Entertainment Corporation	20. Microtainment Plus Productions Inc.
3. Amythos Films	21. Nomad Films Inc.
4. Associated Producers Ltd.	22. Primevista Television
5. AXS Biomedical Animation Studio Incorporated	23. Primitive Entertainment Inc.
6. Back Alley Film Productions Limited	24. Providential Pictures Inc.
7. Ballinran Productions Ltd.	25. Proximity Films
8. Cache Film and Television	26. PTV Productions Inc.
9. Chocolate Box Entertainment Inc.	27. Real to Reel Productions Inc.
10. Coptor Productions Inc.	28. Rebel Media Ventures International
11. Cream Productions Inc.	29. Red Apple Entertainment Corporation
12. David Brady Productions	30. SailorJones Media Inc.
13. Ellis Vision Incorporated	31. Sarrazin Couture Entertainment
14. Eureka Productions Inc. c.o.b. Gorica Productions	32. Shaftesbury Films Inc.
15. Guru Animation Studio Ltd.	33. Storyline Entertainment Inc.
16. Heroic Film Company Inc.	34. Symmetree Media
17. Insight Production Company Ltd.	35. Temple Street Productions Incorporated
18. Kensington Communications Inc.	36. Up Front Entertainment Inc.

1. Battlegoat Studios Inc.	4. Capybara Games Inc.
2. Bedlam Games Inc.	5. Cerebral Vortex Games Inc.
3. Breakthrough New Media Inc.	6. Decode Entertainment Inc.

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(OMDC Export Fund – Interactive Digital Media Recipients continued)

7. Digital Extremes	15. Silicon Knights Inc.
8. Glassbox Television Inc.	16. Silverbitch Studios Inc.
9. Hop To It Productions Inc.	17. Soda Entertainment Inc.
10. Magmic Inc.	18. The Nightingale Company
11. Marble Media Inc.	19. vive Technologies Inc.
12. Metanet Software Inc.	20. Xenophile Media Inc.
13. Mount Knowledge Inc.	21. zinc Roe Inc.
14. OmniG Software Inc.	

**OMDC Export Fund – Music Recipients**

1. Alma Records	11. Dine Alone Music Inc.
2. Arts & Crafts Productions Inc.	12. High Romance Music/True North Records
3. Attack Media Group	13. Kindling Music Inc.
4. Awesome Productions and Management Inc. o/a Awesome Music	14. Last Gang Records Inc.
5. Borealis Recording Company Ltd.	15. Music Network/Ti Amo Records
6. Bumstead Productions Ltd.	16. NorthernBlues Music Inc.
7. Canadian Music Centre	17. Outside Music Inc.
8. Casablanca Media Acquisitions Inc.	18. Paper Bag Records Inc.
9. The Children's Group Inc.	19. Six Shooter Records Inc.
10. Curve Music Inc.	20. Upper Class Recordings Inc.

**OMDC Book Fund Recipients**

The OMDC Book Fund invested over \$1.14 million in 39 Ontario publishers to support new marketing initiatives. The 39 projects that received support were able to leverage an additional \$1.03 in funding for every dollar invested by OMDC, and have generated over \$6.5 million in sales for the participating publishers.

1. Annick Press Ltd.	21. McArthur & Company
2. Between The Lines Incorporated	22. McClelland & Stewart Ltd.
3. Brick Books Inc.	23. Napoleon & Company
4. Broadview Press Inc.	24. Oberon Press
5. Coach House Books Inc.	25. Owlkids Books aka Maple Tree Press
6. Cormorant Books Inc.	26. Pembroke Publishers Limited
7. Dundurn Press Limited	27. Porcupine's Quill Inc.
8. ECW Press Ltd.	28. R.K. Publishing Inc.
9. Éditions Prise de parole	29. Rainbow Horizons Publishing Inc.
10. Firefly Books Ltd.	30. Robert Rose Inc.
11. Groundwood Books Limited	31. Sara Jordan Publishing

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(OMDC Book Fund Recipients continued)

12. House of Anansi Press Inc.	32. Second Story Feminist Press Inc.
13. Inanna Publications	33. Sumach Press Inc.
14. Insomniac Press Ltd.	34. The Boston Mills Press Inc.
15. Irwin Law Inc.	35. Thomas Allen & Son Limited
16. James Lorimer & Company Limited	36. Thompson Educational Publishing
17. Kids Can Press Ltd.	37. Tundra Inc. o/a Tundra Books
18. Les Éditions David Inc.	38. Wilfrid Laurier University Press
19. Les Éditions du Vermillon	39. Wolsak and Wynn Publishers Ltd.
20. Les Éditions l'Interligne Inc.	

## OMDC Film Fund

The OMDC Film Fund invested \$3.8 million in 15 Ontario-produced films (13 dramas and two documentaries) in the production phase and 13 dramatic and three documentary projects for late-stage development funding. Every dollar invested by OMDC generated an additional \$26.1 in production financing.

### OMDC Film Fund Dramatic Film Development Awards

Film Project	Company	Producer
The Colony	Alcina Pictures Ltd.	Paul Barkin
The Earth	Film Farm Inc.	Jennifer Weiss
Edwin Boyd	Euclid 431 Pictures Inc.	Allison Black
Home Again	Hungry Eyes Film & Television Inc.	Jennifer Holness
Immigrant Fugue	V-ART Productions Inc.	Martyn Kryz
King of the Royals	Conquering Lion Pictures Inc.	Damon D'Oliveira
November Gale	Seafarer Films Inc.	Gerry Arbeid
The Odds	Quiet Revolution Pictures Inc.	Michael Dobbin
Perfecting Chaos	Prospero Pictures	Martin (Marty) Katz
The Pornographer's Poem	House of Films Inc.	Bill House
Soundgirl	Conquering Lion Pictures Inc.	Damon D'Oliveira
Tracing Iris	The Film Works Limited	Paul Stephens
What You Need	Stromhaus Productions Ltd.	Jeanne Stromberg

Film Project	Company	Producer
Barney's Version	Three Amigos Productions Inc.	Mark Musselman
A Beginners Guide to Endings	Darius Films Inc.	Nicholas D. Tabarrok
Beyond Beauty	Six Island Productions Inc.	Paul Scherzer

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(OMDC Film Fund Dramatic Film Production Awards continued)

Cairo Time	Cairo Time Films Inc.	Daniel Iron
The Con Artist (aka The Love Child/Smashed)	Alcina Pictures Ltd.	Paul Barkin
Dirty Sweet	Amaze Film + Television Inc.	Michael Souther
High Rise	Capri Films Inc.	Gabriella Martinelli
Leslie, My Name is Evil	2077883 Ontario Inc.	Jennifer Jonas
Ruby	Knightscope Family Films Inc.	Leif Bristow
Sacrifice	Alchemist Entertainment Incorporated	Damian Lee
Suck	Capri Vision Inc.	Robin Crumley
Victoria Day	Victoria Day Films Inc.	Judy Holm
Year of the Carnivore	The Film Farm Inc.	Simone Urdl

### OMDC Film Fund Documentary Development Awards

Film Project	Company	Producer
Apple Core	Sphinx Productions	Ron Mann
The Guantanamo Trap	Xenophile Media Inc.	Keith Clarkson
Raw Opium	Kensington Communications Inc.	Robert Lang

### OMDC Film Fund Documentary Production Awards

Film Project	Company	Producer
Raw Opium	Kensington Communications Inc.	Robert Lang
Rush: A Documentary	Rush Doc Films Inc.	Scot McFadyen

## OMDC Magazine Fund Recipients

OMDC provided \$862,500 to 37 Ontario-based magazine publishers through the OMDC Magazine Fund. Total funding for Ontario-based magazine publishers and trade organizations amounted to \$1.3 million. Every dollar invested by OMDC generated an additional \$0.86 in financing for magazine publishing projects focused on business development, including boosting circulation and sales.

1. 1042676 Ontario Limited o/a Merit Marketing	11. CLB Media
2. 1059434 Ontario Inc. o/a Exclaim!	12. Family Communications Inc.
3. 2 For Life Media	13. Green Living Enterprises
4. AGW Publishing Inc.	14. Green Teacher
5. Alternatives Inc.	15. Grippid Inc.
6. Applied Arts Magazine	16. Kerrwil Publications Ltd.
7. Azure Publishing Inc.	17. Literary Review of Canada
8. Canadian Art Foundation	18. Media Matters Incorporated
9. Canadian Geographic Enterprises	19. MonoLog Communications Inc.
10. Canadian Wildlife Federation	20. North Island Publishing Ltd.

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(OMDC Magazine Fund Recipients continued)

21. On The Bay Magazine	30. Solstice Publishing Inc.
22. Ontario Nature	31. St. Joseph Media Inc.
23. Outpost Inc.	32. The Walrus Foundation
24. Prefix Institute of Contemporary Art	33. Urban Magazine Inc.
25. Red Maple Foundation	34. Verge Magazine Inc.
26. SBC Media Inc.	35. W.I. Media
27. Shelter Fell Publications Inc.	36. Wise Moove Holdings Inc.
28. SkyNews Inc.	37. YoungBlood Publications Ltd.
29. Snow Goer Media	

## OMDC Music Fund Recipients

The OMDC Music Fund provided \$400,000 to 16 independent music labels and music publishers to finance business development projects. These 16 projects were able to leverage an additional \$1.12 in funding for every dollar invested by OMDC, and have generated over \$450,000 in sales for the participating companies to date. It should be noted that the Music Fund supported a number of capacity-building projects in 2008–09 that will assist in developing future revenue streams, but that did not generate direct revenues during the reporting period.

1. Arts & Crafts Productions Inc.	9. Nightingale Music
2. Borealis Recording Company Ltd.	10. NorthernBlues Music Inc.
3. Casablanca Media Publishing Inc.	11. Ole Media Management
4. Dine Alone Music Inc.	12. Outside Music Inc.
5. Distort Inc.	13. Paper Bag Records Inc.
6. Do Right Music	14. Six Shooter Records Inc.
7. Linus Entertainment Inc.	15. Somerset Entertainment Ltd.
8. MapleCore Ltd.	16. Urbnet Communications Inc.

## Entertainment and Creative Cluster Partnerships Fund Recipients

The Entertainment and Creative Cluster Partnerships Fund provided support to 16 initiatives, awarding grants totalling \$3.3 million in 2008–09, the third cycle of the fund. Eighty-eight per cent of projects were completed as of March 31, 2009.

Project Title	Bridging Gaps to Access & Employment in the Entertainment & Media Industries for Persons with Disabilities
Primary Partners	University of Toronto, Adaptive Technology Resource Centre
Secondary Partners	Lights, Camera, Access! (LCA), SUN TV/Quebecor Media, Fireweed Media Productions Inc., Ontario College of Art and Design
Project Title	City Sonic (formerly Connect Toronto)
Primary Partners	White Pine Pictures Inc. & Kensington Communications Inc.
Secondary Partners	Humber College School of Media Studies & Information Technology, Historica Foundation of Canada
Additional Partners	Toronto History Project, Canadian Independent Record Production Association (CIRPA)

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(Entertainment and Creative Cluster Partnerships Fund Recipients continued)

Project Title	Creative Previsualization Unit
Primary Partners	Sheridan College Institute of Technology and Advanced Learning
Secondary Partners	DGC Ontario, IATSE Local 667
Additional Partners	FilmOntario Ontario Film and Television Consortium, Filmport Development Inc.
Project Title	Digital Interactive Gaming London (DIG London) Conference
Primary Partners	Digital Extremes Inc.
Secondary Partners	Big Blue Bubble Inc.
Additional Partners	London Economic Development Corporation (LEDC), REDJADE Inc., The University of Western Ontario, Fanshawe College
Project Title	DOCSpace Phase II
Primary Partners	Documentary Organization of Canada
Secondary Partners	Coptor Productions Inc., Markham Street Films Inc., Primitive Entertainment Inc., PTV Productions Inc., Symmetree Media
Additional Partners	Title House Distribution
Project Title	Independent Digital Licensing Agency (IDLA) Phase 2
Primary Partners	Independent Digital Licensing Agency (IDLA)
Secondary Partners	Canadian Independent Record Production Association (CIRPA)
Project Title	INplay (formerly ONKidz)
Primary Partners	Interactive Ontario Industry Association (IO)
Project Title	Magazines Canada Digital Discovery
Primary Partners	Magazines Canada
Project Title	Mobile Experience Innovation Centre
Primary Partners	Ontario College of Art and Design (OCAD)
Secondary Partners	Canadian Film Centre Media Lab, George Brown College, Ryerson University, University of Ontario, Institute of Technology, 33 Magnetic Inc., Achilles Media Ltd., Bitcasters Inc., Ecentricarts Inc., GestureTek, Interactive Ontario Industry Association, marblemedia Interactive Inc.
Additional Partners	CANOE, Design Exchange, WirelessNorth.ca, Telus Mobility
Project Title	Music Managers Online Platform
Primary Partners	Music Managers Forum Canada (MMF Canada)
Secondary Partners	Cerberus Artist Management, Finkelstein Management Company, Bumstead Productions Ltd.
Additional Partners	New Media Architects Ltd.
Project Title	Ontario Innovations in Distribution Project
Primary Partners	Cam Haynes Enterprises
Secondary Partners	Triptych Media Inc., Strada Films Inc.
Project Title	Project Workflow
Primary Partners	Bedlam Games Inc. & C.O.R.E. Digital Pictures Inc.
Secondary Partners	Seneca College of Applied Arts & Technology
Project Title	reForest Interactive
Primary Partners	Ontario Library Association (OLA)
Secondary Partners	Association of Canadian Publishers (ACP)
Additional Partners	Bibliocommons, Knowledge Ontario

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(Entertainment and Creative Cluster Partnerships Fund Recipients continued)

Project Title	Rock Steady (formerly Turnkey Music Services)
Primary Partners	Last Gang Records Inc.
Secondary Partners	Paper Bag Records Inc., Dine Alone Music Inc., Underground Operations, Sonic Unyon Records and Distribution
Project Title	Spotlight on Asia
Primary Partners	Canadian Music Week (CMW)
Secondary Partners	Canadian Independent Record Production Association (CIRPA), Canadian Music Publishers Association (CMPA), Music Managers Forum Canada
Project Title	Traveling Literacy Landmarks Workshops
Primary Partners	Pembroke Publishers Limited
Secondary Partners	Annick Press Ltd., Owlkids Books (formerly Maple Tree Press Inc.), Second Story Feminist Press Inc., Tundra Books

## OMDC Screen-Based Content Initiative Recipients

In 2008–09, OMDC delivered the one-time *Screen-Based Content Initiative*, a program for film, television and interactive digital media content producers to support early-stage development activities. Forty-nine companies received \$2.3 million in development funding, leveraging an additional \$0.70 in additional funding.

Recipient	Project	Project Type
52 Media Inc.	Omar K	Documentary
Amaze Film + Television Inc.	Oh My Fairy Godmother	TV Series
Amaze Film + Television Inc.	Spiritualized	TV Series
Amberwood Productions Services Inc.	PG13	TV Series
Amberwood Productions Services Inc.	Ralph Filmore Paranormal Investigator	TV Animation
Artech Studios	Dragon's Hoard	Interactive
Associated Producers Ltd.	Funeral School	Documentary Series
Backroad Film Corporation	Rogues' Gallery	TV Series
Barna-Alper Productions Inc.	Unit Unassigned	TV Series
BluePrint Film & TV Productions Ltd.	Eric the Tiny	TV Animation
Capri Films Inc.	Cocksure	Feature Film
Capybara Games Inc.	Zombie Tactics	Interactive
Cave 7 Productions Inc.	Nipple Nazis	Documentary
CCI Productions Inc.	Daisy Jane and the Fairy Tree	TV Animation
Cerebral Vortex Games Inc.	Ghost Breaker	Interactive
Conquering Lion Pictures Inc.	Enter the Cipher	Feature Film
Copperheart Entertainment Inc.	Hungry Girl	Feature Film
Darius Films Inc.	Nerds vs. Vampires	Feature Film
Dark Matter Entertainment Inc.	Trinketz	Interactive
DrinkBox Studios Inc.	About a Blob	Interactive
Four Seasons Productions Inc.	The Flying Troutmans	Feature Film

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(OMDC Screen-Based Content Initiative Recipients continued)

GAPC Entertainment Inc.	The Lost Science of Islam	Documentary Series
GAPC Entertainment Inc.	The Prime Radicals	TV Series
Georgian Inc.	Club Fed	TV Series
Georgian Inc.	In Search of Gordon Lightfoot	TV Series
Guru Animation Studio Ltd.	Agency 13	TV Animation
Guru Animation Studio Ltd.	The Buds	TV Animation
In Sync Video	Dark Chocolate	Documentary
Kensington Communications Inc.	Life in the Crisis Zone	Documentary Series
marblemedia Inc.	Gnasty Gnomes	Interactive
Metanet Software Inc.	Office Yeti	Interactive
The Mission Media Company Inc.	The Discovery of the Lost Ontario	Documentary
New Real Films Inc.	League of Monster Slayers	Feature Film
The Nightingale Company	Brian Paisley in Hell	TV Series
Portfolio Entertainment Inc.	Hood	TV Animation
PTV Productions Inc.	History Geeks	Documentary Series
QVF Inc.	1812	Documentary Series
Radical Sheep Productions Inc.	Bleeker: The Rechargeable Dog	TV Animation
Red Apple Entertainment Corporation	Assault and Rescue POV	Documentary Series
Red Apple Entertainment Corporation	In The Weeds	Documentary Series
Resolute Management Group Inc.	Fricky	Feature Film
Rhombus Media Inc.	The Devil's Horn	Documentary
S&S Executive Services Inc.	Al's Adventure	TV Animation
Sarrazin Productions Inc.	Rhéal and Rhéaume Go To Toronto	Feature Film
Sienna Films Inc.	Santa Can't Dance	Feature Film
Sienna Films Inc.	What We All Long For	Feature Film
Six Island Productions Inc.	In Deep Water	Feature Film
Six Island Productions Inc.	Sunset, Sunrise	Feature Film
SK Films Inc.	Our Sustainable Planet	Large Format Feature Film
Smiley Guy Studios Inc.	The World Of Bruce McCall	Interactive
Spooky Squid Games	Guerrilla Gardening: Seeds of Revolution	Interactive
Strada Films Inc.	DeNiro's Game	Feature Film
Sudden Storm Entertainment Ltd.	True Love Lies	Feature Film
Triptych Media Inc.	Fallen	TV Series
Triptych Media Inc.	In the Shadow of a Saint	Feature Film
Walker/Romain Productions Inc.	Maggie's Farm	TV Series
Walker/Romain Productions Inc.	We, The Family	TV Series
White Pine Pictures Inc.	The Correspondent	TV Series

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(OMDC Screen-Based Content Initiative Recipients continued)

Xenophile Media Inc.	Capital Sins	Documentary Series
Xenophile Media Inc.	The Tipping Point	Documentary Series

## 21st Annual Trillium Book Award Finalists

Trillium Book Award English-language and French-language winners receive \$20,000. Publishers of the winning books each receive \$2,500 towards their promotional costs. The respective winners of the Trillium Book Award for Poetry in the English language and Trillium Book Award for Poetry in the French language each receive \$10,000 and their publishers receive \$2,000. All finalists receive a \$500 honorarium. The 21st Annual Trillium Book Award generated 9.6 million media impressions.

### English Finalists for the Trillium Book Award/Prix Trillium

Gil Adamson, *The Outlander* (House of Anansi Press)

Lorna Goodison, *From Harvey River* (McClelland & Stewart)

Barbara Gowdy, *Helpless* (HarperCollins Publishers)\*

Robert Hough, *The Culprits* (Random House Canada)

Dennis Lee, *Yesno* (House of Anansi Press)

Ray Robertson, *What Happened Later* (Thomas Allen Publishers)

### French Finalists for the Trillium Book Award/Prix Trillium

Andrée Christensen, *Depuis toujours, j'entendais la mer* (Les Éditions David)

Michel Dallaire, *l'anarchie des innocences* (Les Éditions L'Interligne)

Gilles Lacombe, *La Jouissance des nuages de la pensée* (Les Éditions L'Interligne)

Pierre Raphaël Pelletier, *L'Œil de la lumière* (Les Éditions L'Interligne)\*

Richard Poulin, *Enfances dévastées, tome 1 : L'Enfer de la prostitution* (Les Éditions L'Interligne)

Michèle Vinet, *Parce que chanter c'est trop dur* (Prise de parole)

Emily Schultz, *Songs for the Dancing Chicken* (ECW Press)

Rob Winger, *Muybridge's Horse* (Nightwood Editions)

Rachel Zolf, *Human Resources* (Coach House Books)\*

Tina Charlebois, *Poils lisses* (Les Éditions L'Interligne)\*

Christian Milat, *Douleureuse aurore* (Les Éditions David)

\* winners

# BOARD OF DIRECTORS

## Ontario Media Development Corporation (2008–09)

**Karen Thorne-Stone**, OMDC President & Chief Executive Officer

### OMDC Board of Directors

**Kevin Shea**, OMDC Chair | Owner and President, SheaChez Inc. – appointed and designated August 24, 2006

**Peter Steinmetz**, OMDC Vice-Chair | Lawyer/Partner, Cassels, Brock & Blackwell – appointed to the Board March 25, 1992; designated Vice-Chair February 7, 1994; re-designated February 7, 2007

**Alexandra Brown** | Alex B. & Associates – appointed February 7, 2007

**Nathon Gunn** | CEO, Bitcasters – appointed February 21, 2007

**Leesa Kopansky** | Executive Director, Lights, Camera, Access! – appointed February 21, 2007

**Bryan Leblanc** | President/Creative Director, Whiterock Communications – appointed April 28, 2004; re-appointed June 6, 2007

**Sarah MacLachlan** | President, House of Anansi Press – appointed August 12, 2008

**Kiumars Rezvanifar** | President, KVC Communications Group – appointed August 24, 2006; re-appointed February 7, 2009

**Robert Richardson** | President, Devon Group – appointed November 10, 2005; re-appointed February 7, 2008

**Melinda Rogers** | Senior Vice President, Strategy & Development, Rogers Communications Inc. – appointed February 26, 2001; re-appointed February 7, 2007; resigned August 21, 2008

**Mark Sakamoto** | Manager Business Rights & Content Management, CBC – Radio Canada – August 21, 2008

**Jeffrey Shearer** | Publisher, On The Bay Magazine – appointed October 7, 2004; re-appointed February 7, 2007

**John B. Simcoe** | Partner, PricewaterhouseCoopers – appointed February 7, 2003; re-appointed February 7, 2009

**Anne-Marie Smith** | CEO, Lonestar Music Services – appointed February 7, 2006; retired February 7, 2009

**Stephen Stohn** | President, Epitome Pictures – appointed February 7, 2001; re-appointed February 7, 2007

**Sheldon S. Wiseman** | President & CEO, Amberwood Entertainment Corporation – appointed April 14, 2004; re-appointed February 7, 2007

Total remuneration to the Board of Directors for the fiscal year ending March 31, 2009 was \$28,687.50

## Management's Responsibility for Financial Statements

The accompanying financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and are the responsibility of management. Where estimates or judgments have been required, management has determined such amounts on a reasonable basis in conformity with Canadian generally accepted accounting policies.

Management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

Ontario Media Development Corporation's Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Board has appointed an audit committee from among its own members. The audit committee meets periodically with senior management and the Office of the Auditor General of Ontario to discuss audit, internal control, accounting policy, and financial reporting matters. The financial statements are reviewed by the audit committee before approval by the Board of Directors.

The Office of the Auditor General of Ontario conducts an annual audit in accordance with subsection 14(1) of Ontario Regulation 672/00 of the Development Corporations Act. The auditor's report outlines the scope of the auditor's examination and opinion.



Karen Thorne-Stone  
President & Chief Executive Officer



Raina Wells  
Director, Business Affairs and Research (A)

July 28, 2009

## Auditor's Report

To the Board of Directors of the Ontario Media Development Corporation and the Minister of Culture

I have audited the statement of financial position of the Ontario Media Development Corporation as at March 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Gary R. Peall, CA  
Deputy Auditor General  
Licensed Public Accountant

Toronto, Ontario  
July 28, 2009

# Statement of Financial Position

As at March 31, 2009

	2009	2008
	(\$000's)	(\$000's)
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	18,063	25,958
Accounts receivable	33	109
Prepaid expenses	30	60
Accrued interest	10	85
Current Assets	18,136	26,212
Capital Assets (Note 4)	422	432
	<b>18,558</b>	<b>26,644</b>
<b>LIABILITIES</b>		
Accounts payable – programs	2,647	2,327
Accounts payable – other	705	585
Due to the Province	274	581
Current Liabilities	3,626	3,493
<b>DEFERRED REVENUE</b> (Note 5)	2,396	10,026
<b>ACCRUED EMPLOYEE BENEFITS OBLIGATION</b> (Note 9)	499	424
<b>COMMITMENTS</b> (Note 7)		
<b>NET ASSETS</b>		
Invested in capital assets	422	432
Unrestricted	11,615	12,269
	12,037	12,701
	<b>18,558</b>	<b>26,644</b>

The accompanying notes are an integral part of these statements.

On behalf of the Board:



Chair



Member, Audit Committee



# Statement of Operations

For the Year ended March 31, 2009

	2009	2008
	(\$000's)	(\$000's)
<b>REVENUE</b>		
Ministry of Culture (Note 5)	19,381	20,911
Tax credit administrative fees	983	853
Interest	670	1,371
Return of investment under assistance programs	157	207
Other	286	71
	<u>21,477</u>	<u>23,413</u>
<b>EXPENSES</b>		
Industry Development Initiatives	9,840	8,133
Operating expenses (Note 6)	7,762	6,925
Entertainment and Creative Cluster Partnerships Fund (Note 5)	2,958	1,191
Toronto International Film Festival Group grants	1,320	1,345
Research Initiatives	261	426
	<u>22,141</u>	<u>18,020</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u><b>(664)</b></u>	<u><b>5,393</b></u>

The accompanying notes are an integral part of these statements.

# Statement of Changes in Net Assets

For the Year ended March 31, 2009

	2009			2008
	Invested in Capital Assets	Unrestricted	Total	Total
			(\$000's)	(\$000's)
Balance, beginning of year	432	12,269	12,701	7,308
Excess (deficiency) of revenue over expenses	(287)	(377)	(664)	5,393
Investment in capital assets	277	(277)	—	—
<b>Balance, end of year</b>	<b>422</b>	<b>11,615</b>	<b>12,037</b>	<b>12,701</b>

The accompanying notes are an integral part of these statements.

# Statement of Cash Flows

For the Year ended March 31, 2009

	2009	2008
	(\$000's)	(\$000's)
<b>Cash flows from (used in) operating activities</b>		
Excess (deficiency) of revenue over expenses	(664)	5,393
Amortization of capital assets	287	452
	(377)	5,845
<b>Changes in non-cash working capital</b>		
Accounts receivable	76	(9)
Prepaid expenses	30	(6)
Accrued interest	75	387
Accounts payable and Due to the Province	133	1,531
Accrued employee benefits obligation	75	67
Deferred revenue	(7,630)	(10,469)
	(7,241)	(8,499)
<b>Net cash used in operating activities</b>	(7,618)	(2,654)
<b>Cash flows used in financing and investing activities</b>		
Net purchase of capital assets	(277)	(284)
<b>Net decrease in cash</b>	<b>(7,895)</b>	<b>(2,938)</b>
Cash and cash equivalents at beginning of year	25,958	28,896
<b>Cash and cash equivalents at end of year</b>	<b>18,063</b>	<b>25,958</b>

The accompanying notes are an integral part of these statements.

**1. BACKGROUND**

The Ontario Media Development Corporation (the 'Corporation') is an agency of the Ministry of Culture of the Government of Ontario created under Regulation 672/00 of the Development Corporations Act, and as such is not required to pay income taxes. The corporation promotes the economic growth of Ontario's cultural media sector and focuses on strategic partnerships among all the industries – film, television, sound recording, book and magazine publishing and interactive digital media.

**2. SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Accounting**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

**(b) Capital Assets**

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized on a straight-line basis over the following terms beginning in the year of acquisition or year of use, if later:

Furniture and Office Equipment	10 years
Computer Hardware	3 years
Customized Computer Software	3 years
Website	3 years
Leasehold Improvements	5 years

**(c) Revenue Recognition**

Unrestricted government base operating grants are recognized as revenue in the period received. Restricted government grants are deferred and recognized as revenue in the year in which the related expenses are incurred. Special government grants internally restricted by the OMDC are recognized as revenue in the period directed by the Board of Directors to fund strategic priorities.

Tax credit administrative fees are recognized when earned, which is normally upon receipt. The return of investment under assistance programs is recorded on a cash basis because a reasonable estimate of the amounts to be collected cannot be made.

**(d) Contributed Services**

Contributed services are received for certain events and are not recognized in the financial statements.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, current bank accounts and short-term investments with terms of maturity of less than 93 days.

**(f) Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

### (g) Financial Instruments

Financial Instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available for sale financial assets or other financial liabilities. All financial instruments are included on the statement of financial position and measured at fair value upon initial recognition. After initial recognition, financial instruments are measured at their fair values, except for financial assets classified as held-to-maturity or loans and receivables and other financial liabilities, which are measured at amortized cost.

The Corporation has classified its financial instruments as follows:

- Cash and cash equivalents is classified as held for trading and recorded at fair value
- Accounts receivable are classified as loans and receivables
- Accounts payable and Due to the Province are classified as other financial liabilities

The fair value of all the Corporation's financial instruments as presented in the statement of financial position approximate their cost amounts due to the short period to maturity of these financial instruments.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest rate, currency, liquidity or credit risk arising from its financial instruments due to their nature.

The CICA implemented two new handbook sections for fiscal years starting on or after October 1, 2007: 3862 Financial Instruments-Disclosure; and 3863 Financial Instruments-Presentation. These sections replace Section 3861 Financial Instruments-Disclosure and Presentation for many organizations and require more extensive disclosures including information about risk assessment, risk management procedures, and sensitivity analyses around each type of risk. However, the CICA provided not-for-profit organizations with the option of continuing to use Section 3861 and the Corporation has decided to do so.

### 3. CASH AND CASH EQUIVALENTS

	2009	2008
	(\$000's)	(\$000's)
Cash	209	404
Short-term investments	17,854	25,554
	<b>18,063</b>	<b>25,958</b>

Short-term investments included in cash and cash equivalents are comprised of bankers' acceptances and bearer deposit notes from Canadian chartered banks. For the year ended March 31, 2009, their interest rates range from 0.4%–0.9% and mature on or before June 15, 2009.

**4. CAPITAL ASSETS**

			2009	2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
			(\$000's)	(\$000's)
Furniture and Office Equipment	359	205	154	129
Computer Hardware	49	30	19	24
Customized Computer Software	724	501	223	240
Website	8	8	—	3
Leasehold Improvements	47	21	26	36
	<b>1,187</b>	<b>765</b>	<b>422</b>	<b>432</b>

**5. MINISTRY OF CULTURE FUNDING**

The Ministry of Culture provided a \$7.951 million (2008 – \$7.670 million) base operating grant which has been recognized as revenue in the fiscal year. Deferred revenue represents unspent resources related to special purpose funding from the Ministry of Culture. Changes to the deferred revenue are as follows:

				2009	2008
	Special Funding	Entertainment and Creative Cluster Partnerships Fund	Interactive Digital Media Fund	Total	Total
				(\$000's)	(\$000's)
Opening balance	8,472	1,554	—	10,026	20,495
Funding received	—	2,800	1,000	3,800	2,772
Recognized as revenue	(8,472)	(2,958)	—	(11,430)	(13,241)
<b>Closing balance</b>	<b>—</b>	<b>1,396</b>	<b>1,000</b>	<b>2,396</b>	<b>10,026</b>

The special funding grant of \$23.0 million receivable in 2006 has been internally restricted by the Board of Directors to fund strategic priorities and is being recognized over a three year period. The remainder of this amount has been recognized in 2009, together with \$472,000 received in 2008.

**6. OPERATING EXPENSES**

	2009	2008
	(\$000's)	(\$000's)
Salaries, Wages and Benefits		
– Tax Credit Administration	1,649	1,405
– Industry Development	1,495	1,336
– Business Affairs and Research	1,114	1,025
– Other	578	617
	<b>4,836</b>	<b>4,383</b>
Corporate Expenses and Operations	873	523
Consulting Services	332	373
Amortization of Capital Assets	287	452
Advertising, Promotion & Publications	276	216
Program Support	884	754
Travel	274	224
	<b>7,762</b>	<b>6,925</b>

**7. COMMITMENTS****(a) Program Commitments**

The Corporation has approved grants and loans in the amount of \$6,123,000 (2008 – \$5,179,000) which will be paid out of existing funds over the next year if and when certain requirements are satisfactorily met by recipients. These amounts are not included in the Statement of Operations.

**(b) Lease Commitments**

The Corporation is completing final negotiations on a new premises lease agreement which would commit the Corporation to future minimum payments of \$2,771,000. The Corporation is also committed under operating leases for computers and office equipment to future minimum payments totalling \$253,000. The new premises lease expires October 31, 2013 and the leases for computers and office equipment expire at various times over the next six years.

**(c) Information Technology Project Commitment**

The Corporation is committed to the completion of an information technology project in the amount of \$488,000 which will be paid out of existing funds in the next fiscal year.

**8. FUNDING COMMITMENT**

In addition to the OMDC's base operating grant of \$7.951 million, the government of Ontario announced the Corporation will receive \$30 million in one-time funding in the 2009–10 fiscal year, \$10 million of which toward a pilot program that would refund a portion of the costs associated with intellectual property development to Ontario-based companies in the screen-based industries.

## 9. OBLIGATION FOR EMPLOYEE FUTURE BENEFITS

The Corporation's employees are entitled to benefits that have been negotiated centrally for Ontario Public Service employees. The future liability for benefits earned by the Corporation's employees is included in the estimated liability for all provincial employees and is recognized in the Province's consolidated financial statements. These benefits are accounted for by the Corporation as follows:

### (a) Pension Plans

The Corporation's full-time employees participate in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU-PF), which are defined benefit pension plans for employees of the Province and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF determined the Corporation's annual payments to the funds. Since the Corporation is not a sponsor of these funds, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of the Corporation, as the sponsors are responsible for ensuring that the pension funds are financially viable. The Corporation's annual payments of \$260,000 (2008 – \$246,000) are included in operating expenses in the Statement of Operations.

### (b) Accrued Employee Benefits Obligation

The costs of any legislated severance and unused vacation entitlements earned by employees are recognized when earned by eligible employees. These costs for the year amounted to \$49,000 (2008 – \$122,000) and are included in employee benefits in Operating expenses. The total liability for these costs is reflected in the accrued employee benefits obligation, less any amounts payable within one year, which are included in accounts payable – other, as follows:

	2009	2008
	(\$000's)	(\$000's)
Total liability for severance and vacation	645	596
Less: Due within one year and included in accounts payable – other	(146)	(172)
<b>Accrued employee benefits obligation</b>	<b>499</b>	<b>424</b>

### (c) Other Non-Pension Post-Employment Benefits

The cost of other non-pension post-retirement benefits is determined and funded on an ongoing basis by the Ontario Ministry of Government Services and accordingly is not included in these financial statements.

## 10. PUBLIC SECTOR SALARY DISCLOSURE

Section 3(5) of the Public Sector Salary Disclosure Act (1996) requires disclosure of Ontario public sector employees who were paid an annual salary in excess of \$100,000 in the calendar year 2008. For the OMDC, this disclosure is as follows:

Name	Title	Salary	Taxable benefits
Cherith Muir	Director, Business Affairs & Research	\$122,195	\$219
Kristine Murphy	Director, Industry Development	\$130,584	\$228
Karen Thorne-Stone	President & Chief Executive Officer	\$167,240	\$294



**11. CHANGES IN ACCOUNTING STANDARDS**

The CICA issued new standards dealing with the presentation and disclosure of information for not-for-profit organizations. Among other changes, the standards no longer require net assets invested in capital assets to be a separate component of net assets. These new standards will be effective for the March 31, 2010 financial statements and it is management's opinion that the new standards will not materially impact the Corporation's financial statements.

**12. CAPITAL DISCLOSURE**

The Corporation considers its capital to consist of net assets invested in capital assets, unrestricted net assets, and deferred revenue. The Corporation's objectives when managing capital are to promote the economic growth of Ontario's cultural media sector and to maintain sufficient capital to meet its commitments in this regard.

The following chart illustrates that 89.9% of OMDC's expenditures for the year ended March 31, 2009 are program-related.

Expenditure Breakdown	2009		
	Corporate	Program Related	Total
	(\$000's)	(\$000's)	(\$000's)
Direct Support (from Statement of Operations):	—	14,378	14,378
From Note 6:			
Salaries, Wages and Benefits	1,285	3,551	4,836
Corporate Expenses and Operations	595	277	873
Consulting Services	58	274	332
Amortization of Capital Assets	64	223	287
Advertising, Promotion & Publications	154	122	276
Program Support	—	884	884
Travel	84	190	274
<b>Total Expenditures</b>	<b>2,241</b>	<b>19,899</b>	<b>22,141</b>
<b>% of total</b>	<b>10.1%</b>	<b>89.9%</b>	<b>100.0%</b>