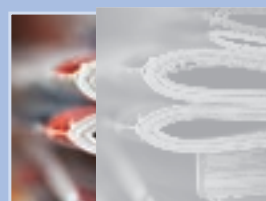
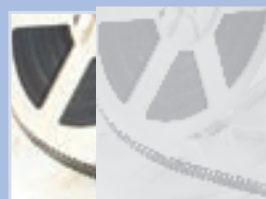


ONTARIO MEDIA DEVELOPMENT CORPORATION
ANNUAL REPORT 2006 | 2007



Ontario Government invests \$1.8 million in support of Ontario’s creative industries through The Entertainment and Creative Cluster Partnerships Fund



Mark Jamison, CEO Magazines Canada, former Minister of Culture Caroline Di Cocco and OMDC Chair Kevin Shea



Rose Bellosillo, Director of Development at Hot Docs, Michael McNamara, Chair of DOC – National, Samantha Hodder, Executive Director of DOC – Toronto, Brett Hendrie, Managing Director of Hot Docs, Chris McDonald, Executive Director of Hot Docs with former Minister of Culture Caroline Di Cocco

OMDC events shine a spotlight on Ontario’s filmmakers and literary talent



Filmmaker Sarah Polley spoke about the importance of OMDC Film Fund in allowing her to shoot her feature debut *Away From Her* in Ontario at OMDC’s *Celebrate Ontario* Party during TIFF®



19th Annual Trillium Book Awards / Prix Trillium Winners - Kevin Connolly, Camilla Gibb, Jean Mohsen Fahmy and Éric Charlebois



Ontario Media Development Corporation (OMDC)
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Foreword

Culture is our Business

At OMDC, “Culture is our Business”. Ontario’s cultural media institutions are vital to the province’s economic growth. Ontario’s cultural media currently contribute more than \$6.7 billion to the province’s economy and create more than 36,000 jobs. Cultural media enhance not merely economic prosperity but also quality of life, employment opportunities and a society that others want to visit and know more about. At OMDC, we value this unique opportunity to enhance the economic bottom line while simultaneously creating social and cultural benefits.

Although the concept of “clustering” the six sectors served by OMDC has long been a part of our mandate, this year saw the inauguration of a dedicated fund to serve the entertainment and creative cluster as a whole. The Entertainment and Creative Cluster Partnerships Fund (the Partnerships Fund) will help develop new forms of entertainment content and new delivery platforms; it will support partnerships between creative organizations, municipalities, media entrepreneurs and academic institutions to support growth, risk-taking and innovation in the cluster. Many of the enterprises we serve across the six sectors are small or medium-sized; cross-sector collaboration between these growing companies brings immediate opportunity for valuable growth and innovation. In the pages of this annual report, we are proud to share information about the first successful applicants to the Partnerships Fund. In next year’s report, it will be our privilege to share some of the results achieved by recipients.

OUR MANDATE

The objectives of the Corporation are to stimulate employment and investment in Ontario:

- (a) by contributing to the continued expansion of a business environment in Ontario that is advantageous to the growth of the cultural media industry and to the growth of new employment, investment and production opportunities in Ontario;
- (b) by 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;
- (c) by 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;
- (d) by assisting in the promotion and marketing of Ontario’s cultural media industry as a world-class leader;
- (e) by 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; and
- (f) by acting as a catalyst for information, research and technological development in the cultural media industry provincially, nationally and internationally.



Message from the Chair

To the Minister: The Honourable Caroline Di Cocco
Minister of Culture

Dear Minister Di Cocco,

On behalf of the Ontario Media Development Corporation (OMDC) Board of Directors, I am pleased to present the Annual Report for the fiscal year 2006-07.

In April 2006, OMDC celebrated the 20th anniversary of its founding as the Ontario Film Development Corporation. In 2000, we added books, interactive digital media (including games), magazines and music to our existing client portfolio of film and television. Today, these six industries in Ontario's entertainment and creative cluster contribute \$6.7 billion to the economy annually and generate more than 36,000 highly skilled jobs.

In September 2006, we officially launched the three-year, \$7.5 million **Entertainment and Creative Cluster Partnerships Fund**. The fund is aimed at helping Ontario's cultural industries grow and prosper by promoting new content development, innovative marketing and distribution, and skills training. In February 2007, we had the great pleasure of announcing the fund's first awardees: 14 projects received \$1.8 million, which leveraged \$5.3 million in combined budgets. These 14 dynamic initiatives brought together the collective expertise of more than 55 Ontario businesses, institutions and organizations.

In reading this Annual Report, you will find many other examples of how our stakeholders have benefited from OMDC's programs and have gone on to enjoy a high degree of artistic and commercial success. We are grateful for your Ministry's continuing support and we look forward to helping ensure that Ontario's entertainment and creative cluster remains a vibrant and significant contributor – both to the province's economy and to the life of its citizens.

Respectfully submitted,

Kevin Shea
Chair



Message from the President and Chief Executive Officer

Ontario is home to more than half of Canada's cultural media products. Helping foster the conditions in which such a rich cultural heritage can thrive is what OMDC does – as our motto proclaims: Culture is our business.

Our mandate is to stimulate employment and investment in six of the cultural media industries that form an integral part of Ontario's entertainment and creative cluster: books, film, interactive digital media (including games), magazines, music and television.

OMDC supports Ontario's cultural industries directly through content and marketing funds and indirectly through export and domestic marketing programs, research and support to trade organizations. On behalf of the Government, OMDC also administers tax credits for the book, music, interactive digital media and film and television industries. All of these programs and services are aimed at supporting Ontario companies in the creation and commercialization of original cultural products, and assisting them with marketing these products at home and abroad.

As we continue to move rapidly towards a knowledge-based economy, Ontario's cultural industries will assume an increasingly more important role. Following are a just a few of this fiscal year's many highlights:

- OMDC's **Export Funds** supported 121 Ontario companies across five industries to attend 43 markets – resulting in over \$54 million in actual and anticipated sales and pre-sales.
- The **19th Annual Trillium Book Award** held in April 2006 generated 14.2 million media impressions – providing valuable publicity for Ontario authors and publishers.
- OMDC's **Film Fund** invested \$2.3 million in 25 domestic feature films, leveraging an investment return of \$18 for every dollar invested and creating over 6,000 weeks of work; Sarah Polley's critically-acclaimed film *Away From Her* premiered at the 2006 Toronto International Film Festival® and was featured at the Sundance and Berlin Film Festivals – its Canadian box office receipts alone total more than \$1.5 million.
- OMDC's **Interactive Digital Media Fund** invested over half a million dollars in six projects, creating 5,000 weeks of work and leveraging \$17.75 for every dollar invested.

None of these successes would have been possible without the guidance and commitment of OMDC's Board of Directors, and the dedication and passion of our staff.

Respectfully submitted,

Karen Thorne-Stone
President and Chief Executive Officer

Fuelling Growth In Ontario's Creative Economy

Entertainment and Creative Cluster Partnerships Fund Launched

On September 21, Culture Minister Caroline Di Cocco launched the three-year, \$7.5 million *Entertainment and Creative Cluster Partnerships Fund*. \$1.8 million is allocated for year one. The Partnerships Fund is designed to remove barriers to growth by encouraging strategic partnerships amongst stakeholders within, and between, sectors in the Entertainment and Creative Cluster in Ontario. Funding is targeted to the exploration of new opportunities, and the finding of solutions to current and emerging challenges, in the book, magazine, film, television, interactive digital media and music sectors.

The Ontario Government also provided the Ontario Media Development Corporation with an additional one-time award of \$23 million which OMDC's Board of Directors decided to spread over three years. Funding will be used to help Ontario's cultural industries market and promote their work, develop new products, export their work and assist in business development.

Minister Di Cocco remarked, "The Government of Ontario recognizes that our entertainment and creative industries are major contributors to Ontario's economic prosperity and quality of life. This fund will reinforce Ontario's position as a contender in the high-growth — and high stakes — global entertainment marketplace."

In this inaugural year, response was enthusiastic. OMDC received 32 applications, and in February, 14 projects were awarded \$1.8 million which leveraged \$5.3 million in combined budgets. The required minimum amount requested was \$25,000. The awards per project ranged from \$50,000 to \$300,000.

"Without the support of OMDC, through the Partnerships Fund, establishing the Independent Digital Licensing Agency Inc. (IDLA) would not have been possible. The independent music community applauds their efforts and with their assistance, the intellectual-property-driven economic engine that is fuelled by our creativity can go into a higher gear." — **Geoff Kulawick, President, Linus Entertainment**

"Our experience with the Partnerships Fund has been terrific. It was as if the Ontario Ministry of Culture and the OMDC had read our minds and specifically designed a program that would meet our stakeholders' needs and the needs of our partners. And, as the Business Learning Initiative rolls out, WIFT-T will be sharing our outcomes with our colleagues in other sectors who, we feel, will be able to adapt our experience to their own educational needs."

— **Sue Sheridan, Executive Director, Women in Film and Television -Toronto (WIFT-T)**

Fuelling Growth In Ontario's Creative Economy

ENTERTAINMENT AND CREATIVE PARTNERSHIPS FUND RECIPIENTS			
PRIMARY PARTNERS	SECONDARY PARTNERS	ADDITIONAL PARTNERS	PROJECT TITLE/DESCRIPTION
Brock University	Niagara College, New Media Business Alliance (NMBA)	Silicon Knights Inc., Niagara Enterprise Agency, Niagara Economic Development Corporation, Brock University - Interacting with Immersive Worlds International Conference	Niagara Interactive New Media Incubator: A feasibility study for an incubator portal that will provide access for new and existing digital media entrepreneurs to a network of expertise and media technologies. The incubator will be virtual and physical, providing services and programs for digital entrepreneurs at various stages of development.
Canadian Film Centre	Artscape, Evergreen Foundation, New Media Business Alliance (NMBA), MaRS Discovery District, Ontario College of Art and Design, Toronto International Film Festival Group	TEDCO, City of Toronto, Toronto Waterfront Revitalization Corporation	Creative Convergence Centres Project: The project seeks to accelerate the development of vibrant physical places that become major innovation hubs and economic engines for the creative industries cluster. The project is led by a consortium of institutions currently involved in the development of creative convergence projects.
Documentary Organization of Canada	Coptor Productions Inc., Markham Street Films Inc., Primitive Entertainment Inc., PTV Productions Inc., Symmetree Media	POV Magazine	docspace.ca: A web-based information, marketing and promotional tool that will evolve into a distribution portal for independent documentary filmmakers. It will house the first ever searchable database for independent Canadian documentaries. Docspace will help DOC members to strengthen their industry ties, while improving access to Canadian documentary films for the public.
FITC Design and Technology Events	New Media Business Alliance (NMBA)		FITC Design and Technology Festival Business Track Enhancement: The FITC Design & Technology Festival hosts over 1000 delegates each spring in downtown Toronto. This year's Enhanced Business Track will feature the top business leaders from around the world. This extra support will attract high-profile speakers and focus the world's attention on the Canadian design and technology community.
Harris Institute/ Metronome Canada	LiveWire Remote Recorders Ltd, PodChannels Inc., Amperea Software Inc.		Harris Institute - Professional Development Program: Harris Institute's Professional Development Program (PDP) will deliver advanced music and media industry training online, as a new knowledge portal, and on weekends at its Toronto campus.

Fuelling Growth In Ontario's Creative Economy

ENTERTAINMENT AND CREATIVE PARTNERSHIPS FUND RECIPIENTS			
PRIMARY PARTNERS	SECONDARY PARTNERS	ADDITIONAL PARTNERS	PROJECT TITLE/DESCRIPTION
Hot Docs – Canadian International Documentary Festival	Directors Guild of Canada - Ontario District Council, Canadian Film Centre (CFC)	Centennial College	Online Market and Conference Prototype: An integrated on-site digital screening library as well as acquisitions hubs with an online market initiative connected to the service.
Insomniac Press, ECW Press Ltd.	Dundurn Press Limited, McClelland & Stewart Ltd.		Digitalizing Books for a New Market of Readers: A project to digitalize books and help our companies deliver books in electronic formats, transitioning them into a new arena of publishing to become an “on-screen” industry.
Linus Entertainment, Borealis Recording Company, Distort Entertainment, Justin Time Records, Last Gang Records, Netzwerk Productions	Canadian Independent Record Production Association		Independent Digital Licensing Agency Inc.: A one-stop source for collective licensing and delivery of Canadian independent music content to new and emerging digital music services in Canada and around the world. The agency will give Canadian independent recording artists and labels access to this critical new revenue stream.
Magazines Canada	Centennial College		Web Weekend: Magazines Canada, in partnership with Centennial College, will develop and launch “Web Weekend,” an intensive two-day digital initiatives training program created specifically for Canadian magazine publishing professionals.
New Media Business Alliance	FilmOntario Ontario Film and Television Consortium	Canadian Film and Television Production Association, National Mentorship, Documentary Organization of Canada, FITC Design & Technology Events, Magazines Canada, Organization of Book Publishers Ontario (OBPO), PodChannels Inc., Writers Guild of Canada, Canadian Film Centre - Habitat New Media Lab, Culture Consultants	Partnerships Ontario Digital Synergies (PODS) Phase 1: PODS is an interactive business partnering and information network that will interconnect Ontario's creative, research, training and technology leaders across the entertainment and creative cluster.

Fuelling Growth In Ontario's Creative Economy

ENTERTAINMENT AND CREATIVE PARTNERSHIPS FUND RECIPIENTS			
PRIMARY PARTNERS	SECONDARY PARTNERS	ADDITIONAL PARTNERS	PROJECT TITLE/DESCRIPTION
Organization of Book Publishers of Ontario	Magazines Canada	Canadian Independent Record Production Association (CIRPA)	Ontario Cultural Portal Blueprint (OCPB): In recognition of the compelling need to find new ways to bring their cultural products to market, the independent book, magazine and sound recording sectors of Ontario will explore the feasibility of a web portal where users can sample and shop for Canadian cultural content.
Seneca College	New Media Business Alliance (NMBA)	Fast Motion Studios Inc. (Fast Motion Media Group), VICON Motion Systems Inc.	Animating Mocap Capacity and Training (AMCaT): Seneca College and the New Media Business Alliance will establish the only independent motion capture and clean-up studio in the province and create a “mo-cap” hub that will position Ontario to grow its game industry by providing new training and content creation opportunities.
Women in Film and Television - Toronto	York University - Schulich School of Business		Business Learning Initiative: The Business Learning Initiative (BLI) is a training program designed by the Schulich School of Business that will offer a senior-level certification course targeted to media professionals. It will be offered through the Centre for Media Professionals, WIFT-T's training division for women and men.
York University	Ryerson University, Sheridan College Institute of Technology and Advanced Learning, Ontario College of Art and Design, Cinespace Film Studios, Xenophile Media Inc., New Media Business Alliance (NMBA), FilmOntario Ontario Film and Television Consortium, George Brown College, Side Effects Software, University of Toronto - Knowledge Media Design Institute	Optical Regional Advanced Network of Ontario (ORANO), City of Toronto - Economic Development - Culture & Tourism Division, Town of Markham, National Research Council Canada - Institute for Information Technology, Toronto Artscape Inc., Motorola Canada, Apple Canada, Industry Canada, Ontario Centre of Excellence, Ontario Film and Television Studio Owner's Association, Ontario Research and Innovation Optical Network (ORION), Seneca College	Consortium on New Media, Creative, and Entertainment R&D in the Toronto Region (CONCERT): A public-private sector GTA consortium of small and large companies, academic institutions, government, and industry associations specifically designed to support R&D, commercialization, and economic development within the entertainment, screen-based and other creative industries. CONCERT will create a dynamic, integrated agenda to identify priorities, attract and direct resources in order to create a world-leading economic cluster in the GTA.

Fuelling Growth In Ontario's Creative Economy

OMDC Book Fund

OMDC Book Fund awards given this year exceed awards given in 2005-06 by over \$280,000. In 2006-07, 45 Ontario publishers were awarded \$875,790 for projects with total budgets of more than \$1.5 million. Reported sales to-date are \$5,296,968 with further projected sales of \$562,205. These results mean that for every dollar in funding provided, the return in sales amounts to \$6.69.

OMDC BOOK FUND RECIPIENTS	
Annick Press	McArthur & Company
Between the Lines	McClelland & Stewart
Boston Mills Press	Mercury Press
Canadian Scholars Press	Napoleon Publishing
CCNM Press Inc.	Natural Heritage Books
Coach House Books	Oberon
Crabtree Publishing	Pembroke Publishers
Dundurn Group	Penumbra Press
ECW Press	Pippin Publishing
Les Éditions David	Porcupine's Quill Inc.
Les Éditions du Vermillon	Robert Rose Inc.
Les Éditions L'Interligne	Sara Jordan Publishing
Éditions Prise de Parole	Second Story Press
Firefly Books	Sumach Press
Fitzhenry & Whiteside	Thomas Allen Publishers
Groundwood Books	Thompson Educational Publishing
Guernica Editions	TSAR
House of Anansi Press	Tundra Inc.
Insomniac Press	University of Toronto Press
Irwin Law	White Knight Books
James Lorimer & Company	Wilfrid Laurier University Press
Kids Can Press	Wolsak & Wynn Publishers
Maple Tree Press	

"In a word the OMDC Book Fund is a valuable program...Its commitment to helping publishers take more ambitious steps to promote their books, and their brand, is vital to the health of small publishers and the entire industry in Canada." — **Dennis Choquette, Editor, Penumbra Press**

Fuelling Growth In Ontario's Creative Economy

OMDC Magazine Fund

This fiscal year, OMDC Magazine Fund provided support to 27 projects by Ontario independent magazine publishers, awarding \$600,000 with total budgets of \$1.25 million. Competition was intense and the jury remarked upon the overall quality of the applications. Successful applicants received up to 75% of their total project budget, capped at a maximum of \$25,000, for a variety of projects focussed on business development including boosting circulation and sales.

OMDC MAGAZINE FUND RECIPIENTS	
Magazine Title	Publisher
<i>Active Living</i>	Disability Today Publishing Group Inc.
<i>Applied Arts</i>	Applied Arts Magazine
<i>Azure</i>	Azure Publishing Inc.
<i>Broken Pencil</i>	Broken Pencil
<i>Canadian Art</i>	Canadian Art Foundation
<i>Canadian Geographic</i>	Canadian Geographic Enterprises
<i>Canadian Hairdresser</i>	Harco Publishing
<i>Corporate Knights</i>	Corporate Knights Inc.
<i>C.E. Biz</i>	C.E. Biz Corp.
<i>Collision Repair</i>	Media Matters Incorporated
<i>Cottage Life</i>	Quarto Communications
<i>Exclaim!</i>	1059434 Ontario Inc. o/a Exclaim!
<i>Graphic Monthly Canada</i>	Key Publishers Company Ltd.
<i>Green Living</i>	North Island Publishing Ltd.
<i>Literary Review of Canada</i>	Literary Review of Canada
<i>Le Lien économique</i>	Editions Voyageur Inc.
<i>ON Nature</i>	Ontario Nature
<i>Opera Canada</i>	Opera Canada Publications
<i>Our Times</i>	Our Times Labour Publishing
<i>Outpost</i>	Outpost Inc.
<i>Prefix Photo</i>	Prefix Institute of Contemporary Art
<i>Quill & Quire</i>	St. Joseph Media
<i>SkyNews</i>	SkyNews Inc.
<i>This Magazine</i>	Red Maple Foundation
<i>Travelweek</i>	Concepts Travel Ltd.
<i>Triathlon</i>	Gripped Inc.
<i>The Walrus</i>	The Walrus Foundation

"The OMDC Magazine Fund is a necessary and vital program for the magazine publishing industry in Ontario. The funding enables the magazine sector to carry out programs that help ensure the long-term viability of this important Canadian cultural industry...the OMDC Magazine Fund program as now constituted and implemented is well-conceived and well-managed, and it is a model of efficiency and responsiveness." — **André Préfontaine, President & Publisher, Canadian Geographic**

Fuelling Growth In Ontario's Creative Economy

OMDC Music Fund

14 Ontario record labels were selected to receive support from OMDC Music Fund totalling \$320,000. The Fund provides up to \$25,000 to Ontario-based recording labels to assist in the growth of their business through new initiatives. Its goal is to strengthen independent recording labels in the province.

OMDC MUSIC FUND RECIPIENTS
Arts & Crafts Productions Inc.
Casablanca Media Publishing Inc.
The Children's Group Inc.
Distort Entertainment Inc.
Hi-Bias Records Inc.
Last Gang Records Inc.
Linus Entertainment Inc.
NorthernBlues Music Inc.
OLE Management Media
Public Transit Recordings Inc.
Six Shooter Records Inc.
Somerset Entertainment Ltd.
True North Records
Urbnet Communications Inc.

"OMDC Music Fund aims to keep it open-ended, encouraging out-of-the-box thinking. This aspect of the Music Fund structure is why I always apply for projects that involve international marketing and penetration. It is difficult to get funding for projects outside of Canada because of the paradigm that taxpayer dollars should be spent within our borders. However the OMDC's raison d'être seems to be more geared towards fostering growth than it does towards subsidizing the arts. This kind of outward thinking is inspiring!"
— **Shauna de Cartier, President, Six Shooter Records**

Fuelling Growth In Ontario's Creative Economy

OMDC Film Fund

A recent recipient puts it best, noting: "The OMDC Film Fund is supporting Ontario producers to tell their stories at home, hire locally, retain copyright and strengthen their companies."

The Film Fund enables Ontario-based producers to apply for up to \$25,000 for development projects and up to \$300,000 for production funding, on a last-in basis. In this fiscal year OMDC ran two calls for applications for the Fund. Response to both calls was high, with 25 projects supported from a total of 42 applications. The jury-adjudicated process awarded 13 development projects and 12 production projects. All in all, OMDC Film Fund support totalled \$2.3 million, leveraged an investment return of 1:18 and created 6,000 weeks of work. The total production budgets (based on applications) for films receiving production support through OMDC Film Fund was over \$44 million.

OMDC FILM FUND DRAMATIC DEVELOPMENT RECIPIENTS
<i>Charming Grace</i> , Media Brat Productions
<i>The Collectors</i> , Conquering Lion Pictures
<i>Dead Sparrows</i> , Slanted Wheel Entertainment Inc.
<i>Dirty Sweet</i> , Bellwood Stories Ltd.
<i>Enter the Cipher</i> , Conquering Lion Pictures Inc.
<i>Goodbye Curry</i> , Corsair Entertainment Corp.
<i>The Knight & the Loathly Lady</i> , Capri Films Inc.
<i>Sex and Dogs</i> , Shaftesbury Films Inc.
<i>Splice</i> , Copperheart Entertainment Inc.
<i>Summerteeth</i> , Corey Marr Productions
<i>Victoria Day</i> , Markham Street Films Inc.
<i>Water of Life</i> , Burke and Burke Inc.
OMDC FILM FUND DOCUMENTARY DEVELOPMENT RECIPIENT
<i>Examined Life</i> , Sphinx Productions

Fuelling Growth In Ontario's Creative Economy

OMDC Film Fund

OMDC FILM FUND DRAMATIC PRODUCTION RECIPIENTS
<i>A Tryst With Destiny</i> , Da Da Kamera Pictures Inc.
<i>All Hat</i> , New Real Films
<i>The Con Artist</i> , Alcina Pictures
<i>The Cry of the Owl</i> , Sienna Films Inc.
<i>Breakfast With Scot</i> , Miracle Pictures Inc.
<i>Emotional Arithmetic</i> , Triptych Media Inc.
<i>Finn On The Fly</i> , Amaze Film + Television
<i>Real Time</i> , January Films Ltd.
<i>Tracing Iris</i> , The Film Works Ltd.
OMDC FILM FUND DOCUMENTARY PRODUCTION RECIPIENTS
<i>FierceLight: When Spirit Meets Action</i> , FierceLight Films Inc.
<i>Inside Hana's Suitcase</i> , Rhombus Media Inc.
<i>Love at the Starlite Motel</i> , Inigo Films

Critical Success for 2006 OMDC FILM Fund Recipients

- Sarah Polley's critically-acclaimed film *Away From Her*, had its world premiere at the Toronto International Film Festival® (TIFF®) and screened at Sundance Film Festival. This film also received two ACTRA Toronto Nominations for Gordon Pinsent and Kristen Thomson. *Away From Her* was invited to screen at Berlinale Film Festival and closed the 9th Annual NSI FilmExchange Canadian Film Festival in Winnipeg. It has sold to over 20 countries and grossed close to \$1.5 million dollars at the Canadian box office.
- *How She Move (AKA Step)*, directed by Ian Iqbal Rashid, was official selection at Sundance Film Festival and was sold to Paramount Vantage for US \$3.5 million.
- *Weirdsville* was the opening night film for Slamdance Film Festival and an official selection at TIFF® and sold to three major territories for \$1 million.
- Clément Virgo's *Poor Boy's Game* premiered at the 57th Berlinale Film Festival in Berlin and has been sold to over 20 countries.

"Thanks to the OMDC Film Fund support of All Hat, I am shooting at Fort Erie, the 100 year-old race track in Southern Ontario. We have been able to pursue authenticity of place for our film and, as the saying goes, 'in specificity, universality is found.' Keep it coming." — **Jennifer Jonas, Producer, New Real Films**

Fuelling Growth In Ontario's Creative Economy

OMDC Interactive Digital Media Fund

OMDC received 27 applications for the Interactive Digital Media Fund (IDM Fund), and invested a total of \$548,000 in six projects. The approximate value of the projects receiving support through the Fund was \$9.7 million. OMDC leveraged the sum of \$17.75 for every dollar invested through the IDM Fund and an estimated 5,000 weeks of work were created.

OMDC INTERACTIVE DIGITAL MEDIA FUND RECIPIENTS
<i>Dark Sector</i> , Digital Extremes
<i>Home Sweet Home</i> , Big Blue Bubble Inc.
<i>Mah Jong Memories</i> , Splashworks.com Inc.
<i>Space Opera</i> , Artech Digital Entertainments Inc.
<i>Total Drama Island - Totally Interactive!</i> , Xenophile Media Inc.
<i>Urban Vermin Adventure</i> , Decode Interactive Inc.

Critical Success for 2006 OMDC IDM Fund Recipient

marblemedia received funding through the Interactive Digital Media Fund program last year. Their project, *Shorts in Motion: The Art of Seduction*, won the award for GSMA's *Global Mobile Award for Best Made Mobile Video Service*, recognizing the film's creative telecommunications initiative in entertainment. The GSMA Awards have become the mobile industry's most successful and recognized international awards. Also at Banff World Television Festival, the film took home the *Mobile Program Enhancement Award*. Furthermore, *Shorts in Motion: The Art of Seduction* received nominations at both the prestigious *Canadian New Media Awards* and the *International Interactive Emmy Awards*.

"The OMDC's IDM Fund actually made all the difference for us in terms of being able to finance and deliver Total Drama Island – Totally Interactive! to our broadcaster client in time for it to be integrated into their schedule. This project is by far our biggest success to-date in terms of visitors and international sales. Without the IDM Fund, this successful project would simply not have been made – at all."
— **Patrick Crowe, Co-President, Xenophile Media**

OMDC Helps to Honour Ontario’s Great Authors

Trillium Book Award / Prix Trillium

The OMDC-administered Trillium Book Awards are the province’s premier accolade for literature. For the 19th Annual Awards, English and French-language juries reviewed an unprecedented 314 submissions. On April 25, 2006 at Toronto’s St. Lawrence Hall, an expectant crowd gathered to hear results. The Honourable Caroline Di Cocco, Minister of Culture and OMDC Chair Kevin Shea shared the honour of delivering the news. Coverage of the results extended beyond Canada, to China, the U.S and Europe.

FINALISTS FOR 19TH ANNUAL TRILLIUM BOOK AWARD / PRIX LITTÉRAIRE ANNUEL TRILLIUM
English Finalists for the Trillium Book Award:
F.T. Flahiff, <i>Always Someone to Kill the Doves</i> (NeWest Press) Camilla Gibb, <i>Sweetness in The Belly</i> (Doubleday Canada)* David Gilmour, <i>A Perfect Night to Go to China</i> (Thomas Allen Publishers) Sheila Heti, <i>Ticknor</i> (House of Anansi Press) Stephen Lewis, <i>Race Against Time</i> (House of Anansi Press) Alayna Munce, <i>When I Was Young & In My Prime</i> (Nightwood Editions)
French Finalists for the Trillium Book Award:
Gilles Dubois, <i>L’homme aux yeux de loup</i> (Les Éditions David) Robert Marinier, <i>Épinal</i> (Prise de parole) Jean Mohsen Fahmy, <i>L’Agonie des dieux</i> (Les Éditions L’Interligne)* Pierre Raphaël Pelletier, <i>Pour ce qui reste de la beauté du monde</i> (Les Éditions L’Interligne) Colette St-Denis, <i>Un temps pour se souvenir</i> (Novalis)
English Finalists for the Trillium Book Award for Poetry:
Kevin Connolly, <i>drift</i> (House of Anansi Press)* Patria Rivera, <i>Puti/White</i> (Frontenac House) Karen Solie, <i>Modern and Normal</i> (Brick Books)
French Finalists for the Trillium Book Award for Poetry:
Joël Beddows, <i>des planches à la palette</i> (Prise de parole) Éric Charlebois, <i>Centrifuge</i> (Les Éditions David)*

* winners

OMDC Enables Ontario Cultural Media to Enjoy the Global Spotlight...

Reaching a Worldwide Audience

- OMDC works to boost Ontario’s presence at international markets by:
- Sponsoring marketing activities at major international markets in partnership with all levels of government and with industry associations.
 - Providing financial assistance directly to Ontario cultural media entrepreneurs so they can optimize their presence at international markets and events.
 - Providing strategic support to enable Ontario’s cultural entrepreneurs to maximize their attendance at international marketing events.
 - Creating the right conditions for international market opportunities through networking, education and promotion.

OMDC Exports Culture

Export Marketing is a category of OMDC initiatives that supports Ontario’s presence at important international festivals and markets. Out of 177 applications, OMDC Export Fund provided support to 121 Ontario companies across five sectors (22 book, 12 film, 27 interactive digital, 30 music, and 30 television) to attend 43 markets. The result was that OMDC support of a little over \$1 million to these activities led directly to Ontario companies reporting over \$54 million in actual and anticipated sales and pre-sales.

Additionally, 79 Ontario television companies were supported on the Canada Stand at the *MIPTV* and *MIPCOM TV* Markets in Cannes. These are the two largest and most strategically significant sales events on the TV calendar. Furthermore, 11 Ontario companies were supported on the UK Music Mission.

The Cannes International Film Festival and Market is the most prestigious film festival in the world and is a critical market for Ontario producers to pursue international co-financing partners, with the Canada Pavilion as a meeting hub for doing business. OMDC in partnership with Telefilm Canada, the nine provinces who make up the Association of Provincial Funding Agencies (APFA), the Department of Foreign Affairs and International Trade, the Department of Canadian Heritage (Trade Routes) and the Canadian Film and Television Production Association supported the Canada Pavilion at the Cannes International Village to create further opportunities to promote and grow the Ontario feature film industry.

“OMDC has always been very important to Capybara’s ongoing strategy. The guidance that we received from the OMDC and the programs that we had the opportunity to participate in have been instrumental to our success this far. In particular the Export Fund allows us an opportunity to participate in industry events and conventions that very often result in vital business opportunities.”

— **Tom Frenzel, President, Capybara Games**

OMDC Enables Ontario Cultural Media to Enjoy the Global Spotlight...

OMDC Exports Culture

The American Film Market attracts more than 8,000 people to Santa Monica, California, for eight days of screenings, meetings, deal-making and events. Participants come from over 70 countries, and include acquisition and development executives, producers, distributors, agents, attorneys, buyers and film financiers. The OMDC, in partnership with the Association of Provincial Funding Agencies (APFA), ran an enhanced Canada Stand at the market this year to offer a greater level of support and facilitation to the over 20 Ontario companies in attendance as well as promoting the advantages of Ontario as a production centre to American and foreign producers.

MIDEM, held annually in Cannes, France, is the pre-eminent international music industry marketplace. In January 2007 the OMDC offered extensive strategic support to over 35 Ontario music companies through funding for the Canada Stand (run by CIRPA), organized meetings with International Market Advisors, and hosted an Ontario Networking Event with Ontario music companies, to promote Ontario talent to the world and generate new business.

OMDC Explores New Markets for Our Cultural Media

OMDC led a small delegation of interactive digital media companies to Delhi, Bangalore and Mumbai as part of the *Premier's Business Mission to India and Pakistan* in January 2007. Through a whirlwind of briefings and meetings, the Ontario interactive digital media producers were able to mingle with Premier Dalton McGuinty and peers from a variety of other industries, while establishing strong connections for future business in one of the world's fastest growing markets.

Game Developers Conference (GDC) is recognized as one of the largest and most important trade events for game developers around the world. Attracting almost 12,000 delegates, the conference covers a wide array of game platforms including computer, console, mobile, arcade and online as well as location-based entertainment. As well as supporting 12 companies to attend GDC through the OMDC Export Fund, the agency provided additional strategic support through consultation, coordination and the OMDC Meeting Room, a private space to conduct pitch meetings and negotiations during the hectic four-day schedule of lectures, panels, tutorials and roundtable discussions.

...And Thrive In Our Own Backyard

OMDC Supports Cultural Media Trade Organizations

OMDC helps to promote Ontario's cultural media in domestic markets, too. In 2006-07, the Agency provided support to 25 trade organization initiatives and 19 domestic market commitments. Over 2,000 Ontario industry participants attended these events. Actual and anticipated sales to domestic markets by Ontario cultural media firms totalled approximately \$4.5 million, as at May 2, 2007.

OMDC Taps into Sales Opportunities Via Markets and Festivals

- *Hot Docs Canadian International Documentary Film Festival* in April/May 2006 had a very strong year with a 25% jump in public attendance and 30% increase in industry registration for the *Toronto Documentary Forum*, resulting in \$1.3 million in reported sales.
- *Mags University*. OMDC sponsored the keynote presentation at the Canadian Business Press (CBP) Luncheon by international trends and innovation expert Jim Carroll. OMDC also sponsored the Magazines Canada seminars, *Getting on the Radar* and *Meet the Buyers and Planners* at this June event.
- OMDC sponsored *Writer to Readers: Linking the Content Creators to the End Users* through the Book and Periodical Council at the *Book Expo Canada*, also held in June. This event provided a full day forum for publishers to learn about best business practices from professionals working across North America. As book publishers seek to find new ways to deliver their authors' work, a particularly relevant aspect of this forum discussed current streams of advanced technology that can assist publishers in reaching new markets, and demonstrated how these technologies can be integrated into publishers' sales and marketing to increase business opportunities.
- The *Television Animation Conference*, held in September at the *Ottawa International Animation Festival* brought new business to Ontario animation companies with \$500,000 in sales to-date.
- OMDC provided funding to the *Film Circuit* (run by the TIFF® Group) in 2006-07. The Film Circuit was able to increase domestic box office revenues for Ontario films by \$448,000, with an additional 66,000 viewers attending screenings of 45 Ontario films (including shorts). The Film Circuit now reaches 76 Ontario communities who otherwise would not be able to attend screenings of Ontario films.
- *2006 Toronto International Film Festival* (TIFF)®. OMDC is proud to be a long-time partner of TIFF®. OMDC presence, through its sales office at the Sales and Industry Centre, created a business hub where filmmakers, producers and other industry delegates connect with buyers and sellers to make deals and get their films out to a global audience.

OMDC Taps into Sales Opportunities Via Markets and Festivals

- *IFF at TIFF®*. OMDC's inaugural *International Finance Forum* took place on September 8, 2006 during TIFF®. This one-day co-financing event brought together Canadian and international feature film producers with potential production and financing partners, sales agents and distributors. With a schedule of intensive one-on-one meetings, keynote speakers and networking sessions, IFF is designed to help participants push their new projects forward. IFF sponsors included: Telefilm Canada, RBC Royal Bank and UK Trade and Investment.
- Soundtracks are key to any great film. During TIFF®, OMDC was proud to be a partner of the second annual *Canadian Music Café*, where industry delegates were treated to showcases from some of Canada's biggest and hottest new musical artists performing live at Toronto's famous Rivoli, in September. The Canadian Music Café was produced by SOCAN, CRIA, CIRPA and CMPA, in association with TIFF®.
- *Canadian Music Week* (CMW). In March 2007, OMDC hosted The 4th *International Marketplace* at CMW. The International Marketplace provides an opportunity for national and international music delegates to interact face-to-face, share ideas, network and sign deals. OMDC held this event in partnership with Foreign Affairs and International Trade Canada, and Canadian Heritage, supported also by the Canadian Independent Record Production Association and the Canadian Association for the Advancement of Music & the Arts. OMDC also coordinated the creation of the *International Delegates Directory* which included a complete list of all attending international participants. This was a great tool for Canadian companies to meet specialists from the world arena.
- *Digital Music Summit*, March 2007. The music industry continues to evolve as digital technologies transform production, distribution and consumption of this important cultural product. OMDC supported the third annual *Digital Music Summit* in March 2007: a day-long, invitation-only gathering of music copyright owners and copyright users. The event allowed the 120 delegates to debate roadblocks to and opportunities for the growth of digital music while networking their way to new relationships based on emerging business models.
- *ICE 2007: Thinking Outside the Cube – Content That Pays* was a high-level conference, held in March and sponsored at the Platinum level by OMDC. The event focused on content on interactive platforms - mobile, games, social media and broadband. Billed as "the world's coolest interactive media business event in the world's coolest province!", this year's ICE offered delegates an executive-level interactive exchange and big-picture opportunities to explore ideas, models and markets. The *ICE Market* was powered by OMDC through the Entertainment and Creative Cluster Partnerships Fund. In addition to offering panels and hands-on sessions with top content innovators, aggregators and buyers from around the world, the ICE Market also provided delegates with access to interactive tools that were geared to help them get the most out of the event. The custom-designed delegate area made peer-to-peer networking and content sharing easy, and allowed delegates to book meetings with speakers and other delegates online.

OMDC Gets Ontario in the Picture

Promoting Ontario's Diverse Locations

With its wide variety of natural and built settings and great value for money, Ontario boasts dramatic advantages as a film and television location. The Film Group at OMDC plays an effective role in building upon the province's deservedly high profile for film and television activity, through energetic marketing to domestic and international clients. Powered by a strong domestic sector film and television production in Ontario rose by 1.5% this fiscal year over 2005-06, despite a higher Canadian dollar and increased foreign competition. 201 domestic and foreign projects received quality scouting assistance this fiscal year. Other valuable aspects of the Film Group mandate are:

- Complimentary location scouting and facilitation assistance to productions considering Ontario.
- Innovative marketing tools - including the newly-enhanced Digital Locations Database.
- Leadership and support to the Los Angeles Marketing Office.
- Advocating for improved industry services, through regular communication with key stakeholders.

OMDC Launches New Digital Locations Database

In 2004, OMDC was one of the first film commissions in the world to take full advantage of advances in information technology, developing a cutting edge online virtual scouting library. As the uptake and demand for online scouting increased, OMDC decided it was time to rebuild the system for a re-launch in 2007. The rebuilt Digital Locations Library includes significant advancements to site navigation, speed of digital image searching as well as package presentation. The team responsible for the re-launch has incorporated key stakeholder input in the design. This consumer insight led to an integral new file-sharing feature, allowing homeowners, scouts and location managers to donate their images through the new image upload portal. This innovative feature should help fast-track the growth of the OMDC online photo database, which as of March 31, 2007 already contained over 7,200 files and 130,000 individual images.

"Scouting the province has never been easier! The new digital library is already a remarkable improvement, particularly in terms of its stable faster speed and intuitive site architecture. New features like the 'banker's box' have helped me improve my workflow in a short period, but I am particularly impressed with its modular design and the promise of an evolution that will conform to its user's needs. The upload feature is a wonderful new addition that should facilitate the rapid expansion of the database and thus increase the value of the system overall. I like it!"

— **Will Hoddinott, DGC Location Manager**

OMDC Gets Ontario in the Picture

Regional Film Forum

For the fourth consecutive year, OMDC hosted a one-day event in Toronto in November. Staff presented information on the film and television production industry and OMDC programs and services to local film liaison representatives from across the province. This Forum continues to be a powerful way for OMDC to provide leadership, share expertise and encourage networking among regional film contacts in order to share the financial benefits that film and television production bring to Ontario’s economy.

Toronto / Ontario Film Office

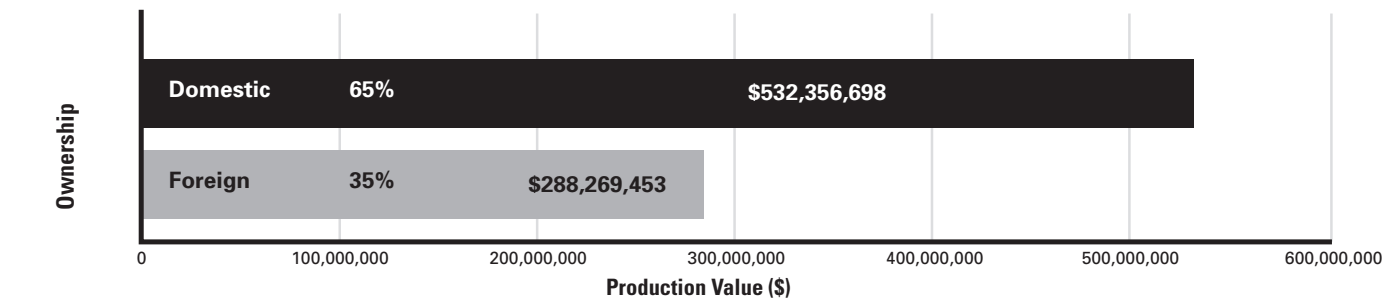
Operated in partnership with FilmOntario and the City of Toronto, the LA Film Office continues to make a significant contribution to the health of Ontario’s foreign production activity, providing on-the-ground marketing in Hollywood to attract film and television production to Ontario as well as assisting domestic producers and suppliers to access the LA marketplace. During the 2006-07 fiscal year, a total of 12 productions representing \$105 million in economic activity in the province, chose to film in Ontario after receiving assistance from the Film Office.

- Absolution*
- Best Years (AKA Class)*
- The Company*
- Dresden Files*
- The Gathering*
- Hairspray*
- Jump*
- Nature Of The Beast*
- Raisin In The Sun*
- Runaway*
- Til Death Do Us Part*
- Why I Wore Lipstick To My Mastectomy*

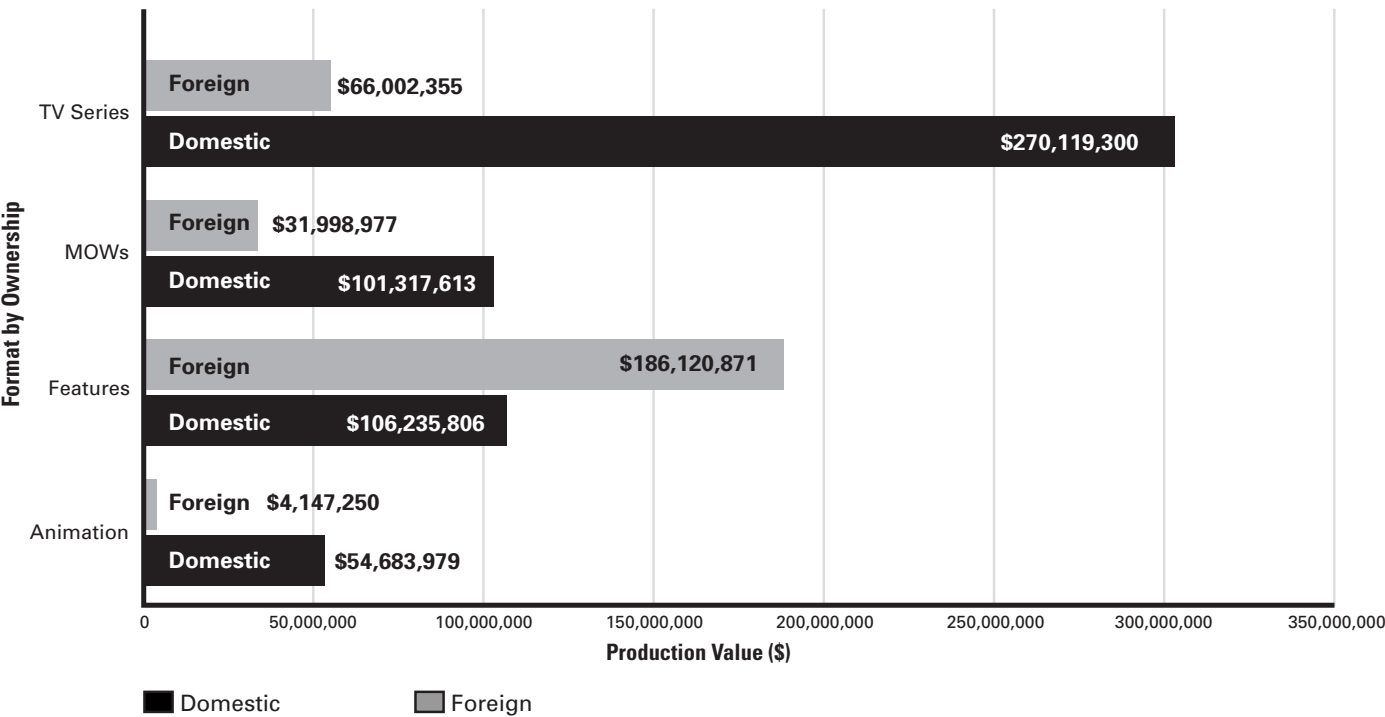
“On behalf of Sony and our production The Company, I cannot thank you enough for all of your efforts and generosity in facilitating the recent scout to Toronto. As you probably already know, your hard work really paid off as it has resulted in a longer shoot in Toronto than originally planned. Your aid and assistance is very much appreciated.” — **Jake Rose, VP Production, Sony Television**

OMDC Gets Ontario in the Picture

2006-07 Ontario’s Film & Television Production Activity



2006-07 Breakdown of Production Activity by Format



Ownership	Production Value (\$)	Percentages
Foreign	288,269,453	35%
Domestic	532,356,698	65%
Total	820,626,151	100%

Source: OMDC Figures reported are amounts spent in Ontario.

Due Credit for Ontario's Cultural Media

Tax Credits are a Deserved Boost for Our Cultural Media Entrepreneurs

OMDC co-administers six refundable tax credits with the Ministry of Finance. These apply to the film, television, digital media, book publishing and music industries. These valuable credits anchor jobs, protect investment and stimulate content production in Ontario. Many recipients credit the programs with sustaining or increasing their production in an increasingly competitive environment... and they are on the rise.

2006-07 was a very successful year for tax credits at OMDC. The Agency certified 1,228 cultural projects to an estimated tax credit value of \$192 million. We received 993 applications: up by 5% from 942 in fiscal year 2005-06.

More about the Tax Credits

Ontario Film and Television Tax Credit (OFTTC)

A 30% refundable tax credit available to eligible Ontario-based Canadian corporations on qualified Ontario labour expenditures for eligible film and television productions.

Ontario Production Services Tax Credit (OPSTC)

An 18% 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 visual effects created in Ontario for film and television productions.

Ontario Interactive Digital Media Tax Credit (OIDMTC)

A 20% refundable tax credit (or 30% for qualifying small corporations) is 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.

Ontario Sound Recording Tax Credit (OSRTC)

A 20% refundable tax credit available to eligible Ontario-based Canadian corporations on eligible expenditures for eligible sound recordings performed by an emerging Canadian artist or group.

Tax Credit Developments, 2006-07

2006-07 brought change to OMDC cultural media tax credits

The Provincial Budget of March 22, 2007 made the following changes:

- Confirmed its commitment to extend the 18% tax credit rate for the OPSTC to March 31, 2008.
- Proposed a technical amendment to the OCASE to allow any wholly-owned subsidiary to claim eligible labour expenditures incurred by the parent corporation in respect of the subsidiary's production, effective for productions commencing after March 22, 2007.

Ontario Interactive Digital Media Tax Credit Gets an Official Boost

The enhancements to the OIDMTC which were first announced in the March 23, 2006 Provincial Budget, received Royal Assent on December 20, 2006, and have now passed into law:

- The OIDMTC rate has been increased from 20% to 30% for expenditures incurred after March 23, 2006 by corporations which meet the definition of a "qualifying small corporation" (i.e., those corporations which met the previous assets and revenues cap).
- Corporate eligibility has been expanded and companies that exceed the asset and revenue cap will be eligible for a lower OIDMTC rate of 20% for expenditures incurred after March 23, 2006. The legislation also introduced the term "specified products" so that products developed under a fee-for-service arrangement can now be eligible for an OIDMTC at the lower rate of 20%.

More Tax Credit News from 2006-07

Applications Rise

Applications rose this fiscal year for the second year in a row. The increase in applications in 2006-07 was partly seen in the OFTTC but by far the most notable increase in application levels was seen in the OIDMTC, for which applications rose over 100% from 2005-06.

Average cycle time for the year was 16.4 weeks, which represents an increase over 2005-06. The variance is due to the 5% overall increase in applications received, combined with a high degree of staff turnover in the department. Concentrated efforts to ensure full staff coverage (through hiring competitions and training current staff on new credits) have already begun to decrease the average cycle time.

Memorandum of Understanding

An updated Memorandum of Understanding (MOU) was executed between OMDC and the Ontario Ministries of Culture and Finance, regarding the administration of Ontario's cultural media tax credits. Updates to the MOU were made in response to recommendations from the 2004 Value for Money Audit and subsequent Standing Committee on Public Accounts report. The MOU now outlines the relationships and responsibilities of the parties with respect to updating and public reporting on media sector indicators.

Tax Credit Developments, 2006-07

Corporate Tax Administration Redesign

In October 2006, the Ontario Minister of Finance and the federal Minister of Finance signed a Memorandum of Agreement towards a single administration of Ontario’s corporate tax system. Known as CTAR, the Corporate Tax Administration Redesign will provide businesses with one set of rules, one tax collector and one tax return to file. Under CTAR, there will be a harmonized tax return effective for taxation years ending in 2009. OMDC will continue to determine the eligibility of corporations and the eligibility of products - and Ontario will still have its own credits and its own rates. Prior to 2009 the federal and provincial governments will work on early integration such as collaborating on audits of the cultural media tax credits.

OMDC Continues to Provide Expert Support to Applicants

In addition to certifying cultural products, the tax credits department engaged in significant outreach efforts to increase awareness and understanding of the credits and to update stakeholders on the numerous Budget changes. OMDC organized and/or participated in 12 presentations on the tax credits, from information sessions to cultural industry events and conferences.

OMDC and the Ministries of Finance and Culture continue to liaise on an ongoing basis with respect to tax credits.

Tax Credit Applications Received and Certificates Issued in 2006-07

	Applications Received	Number of Certificates Issued	Number of Projects	Total Value of Estimated Projects	Project Value
Ontario Book Publishing Tax Credit	277	228	228	\$1,778,449	\$5,960,753
Ontario Sound Recording Tax Credit	100	219	110	\$1,444,555	\$7,287,629
Ontario Film & Television Tax Credit	414	421	421	\$127,176,690	\$980,576,007
Ontario Production Services Tax Credit	61	66	66	\$44,891,604	\$1,137,829,117
Ontario Computer Animation & Special Effects Tax Credit	56	47	130	\$11,152,657	\$154,052,481
Ontario Interactive Digital Media Tax Credit	85	60	273	\$5,531,195	\$39,672,953
Grand Total for all Tax Credits	993	1,041	1,228	\$191,975,150	\$2,325,378,941

Note: OCASE and ODMTC 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.

Research and Long-term Planning at OMDC

OMDC as Knowledge Broker

A key principle is that of offering the benefits of authority and expertise as a resource to encourage business opportunities in the cultural industries. We term this “knowledge brokering”.

This year OMDC was a member of the Ontario Video Game Steering Committee. The goal of the Steering Committee is to develop a strategic action plan for the industry. The Committee includes representatives of the video gaming industry, Ministry of Economic Development and Trade (MEDT), Ministry of Research and Innovation (MRI) and OMDC.

OMDC Reports, 2006-07

This fiscal year, OMDC partnered with FilmOntario and OMDC’s Screen-Based Industry Advisory Committee to have PricewaterhouseCoopers undertake an *Economic Study for the Film, Television and Digital Media Sector in Ontario*.

OMDC also produced a report on *Production Activity by Province* on behalf of the Association of Provincial Funding Agencies.

As well, OMDC participated in an MEDT-sponsored study examining opportunities for collaboration in the International Marketing Centres in New York and Los Angeles.

In the 2006-07 fiscal year, OMDC agreed to partner on five additional research projects:

- Association of Canadian Publishers, *The Impact of Digitization on the Book Industry*
- Canadian Media Research Consortium, *Canadian Internet Project 2*
- Canadian Recording Industry Association, *Economic Impact of the Canadian Music Industry*
- Documentary Organization of Canada, *Getting Real III*
- Magazines Canada, *Economic Contribution of the Canadian Magazine Industry*

OMDC has a Vibrant Web Presence

OMDC’s website continues to provide both the public and industry stakeholders with an easy place to find the latest information on its many programs and services as well as current industry insights. OMDC-funded reports and studies are posted as soon as they become available. Over the course of this fiscal year, there were 347,399 visits to our site.

Research and Long-term Planning at OMDC

CRTC submissions

OMDC responded to a Call for Comment issued by the Canadian Radio and Television Commission (CRTC) entitled: *Broadcasting Public Notice of Hearing CRTC 2006-5, Review of Certain Aspects of the Regulatory Framework for Over-the-Air Television*.

On December 4, 2006 a delegation led by Ontario Minister of Culture Caroline Di Cocco appeared before the CRTC to encourage the commission to adopt incentives to help Ontario's creative industry move towards high definition and other emerging technologies. The Ontario delegation also included Stephen Stohn, OMDC Board Member, Kristine Murphy Acting CEO of OMDC, and Steven Davidson, Assistant Deputy Minister, Ministry of Culture.

The public hearings were held to review aspects of the regulatory framework for over-the-air television. "We are participating in these hearings because over-the-air broadcasters provide major-market access and much-needed exposure for Ontario's, and Canada's, creative content," Minister Di Cocco said. "Ontario is home to the largest critical mass of media and production in Canada. Our creative communities – from producers to writers, musicians, performers and other artists – contribute to, and benefit from, this sector's vitality."

While the Ministry of Culture and OMDC submitted separate submissions to the CRTC's review, the joint appearance at the hearing was a collaborative effort to highlight the common points in each submission in support of Ontario's role in the Canadian broadcasting system. OMDC's submission focused on four major themes:

- The need for an integrated federal broadcasting policy that reflects the fact that CRTC regulatory decisions have an impact on other federal programs.
- Support for expenditure requirements on Canadian programming by OTA licensees.
- Support for the continuation of the CRTC's policy that licensees spend 75% of their priority programming dollars on independent production.
- Support for the continuation of the CRTC's benefits policy that assesses transactions on a case-by-case basis and directs benefits to be spent in the area in which the transaction occurs.

"My ministry and the OMDC are working hard to promote Canadian content and the best interests of Ontario's creative industries and artists," Minister Di Cocco concluded.

OMDC also responded to a second CRTC Call for Comment this fiscal: *Broadcasting Public Notice CRTC 2006-72: Future Environment Facing the Canadian Broadcasting System*.

The OMDC's submissions to the CRTC may be viewed at www.omdc.on.ca.

"OMDC is proud of our ability to support Ontario's independent production companies as they continue to demonstrate their eagerness and ability to embrace emerging technologies and to produce innovative content. These companies play a pivotal role in Canadian broadcasting." — **Stephen Stohn, OMDC Board Member**

OMDC Board of Directors

OMDC's Board of Directors sets the Corporation's strategic directions. Members are appointed by Order-in-Council for a term not exceeding three years.

Kevin Shea, Chair – designated August 24, 2006

Peter E. Steinmetz, Vice-chair – designated February 7, 1994; re-designated February 7, 2007

Alexandra Brown – appointed February 7, 2007

Lillyann Goldstein – appointed April 14, 2004; retired February 6, 2007

Nathon Gunn – appointed February 21, 2007

Valerie Hussey – appointed February 27, 2002; re-appointed February 7, 2005

Bryan Leblanc – appointed April 28, 2004; re-appointed June 6, 2007

Leesa Kopansky – appointed February 21, 2007

Kiumars Rezvanifar – appointed August 24, 2006

Bob Richardson – appointed November 10, 2005

Melinda M. Rogers – Melinda M. Rogers - appointed February 26, 2001; re-appointed February 7, 2007

Jeffrey Shearer – appointed October 7, 2004; re-appointed February 7, 2007

John B. Simcoe – appointed February 7, 2003; re-appointed February 7, 2006

Anne-Marie Smith – appointed February 7, 2006

Stephen Stohn – appointed February 7, 2001; re-appointed February 7, 2007

Julie Thorburn – appointed April 28, 2004; resigned October 18, 2006

Sheldon S. Wiseman – appointed April 14, 2004; re-appointed February 7, 2007

Total remuneration to the Board of Directors for the fiscal year ending March 31, 2007 was \$16,037.50

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.



Kristine Murphy
Chief Executive Officer, (A)



Cherith Muir
Director, Business Affairs &
Research, (A)

July 25, 2007

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, 2007 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
July 25, 2007



Gary R. Peall, CA
Deputy Auditor General

Statement of Financial Position

as at March 31, 2007

	2007 (\$ 000's)	2006 (\$ 000's)
ASSETS		
Cash and cash equivalents	28,896	4,156
Due from Ministry	-	23,000
Accounts receivable	100	57
Prepaid expenses	54	77
Accrued interest	472	13
Current Assets	29,522	27,303
Capital Assets (Note 3)	600	773
	30,122	28,076
LIABILITIES		
Accounts payable - programs	974	603
Accounts payable - other	324	252
Due to the Province	547	522
Accrued employee benefits obligation	474	463
Deferred revenue (Note 4)	20,495	23,000
	22,814	24,840
COMMITMENTS (Note 7)		
NET ASSETS		
Invested in capital assets	600	773
Unrestricted	6,708	2,463
	7,308	3,236
	30,122	28,076

The accompanying notes are an integral part of these statements.

On behalf of the Board:



Kevin Shea
Chair



John Simcoe
Member, Audit Committee

Statement of Operations

For the Year ended March 31, 2007

	2007 (\$ 000's)	2006 (\$ 000's)
REVENUE		
Ministry of Culture	16,845	10,125
Tax credit administrative fees	842	762
Interest	1,152	199
Return of investment under assistance programs	36	20
Other	33	108
	18,908	11,214
EXPENSES		
Operating expenses (Notes 5 and 6)	6,333	6,100
Industry Development Initiatives	5,590	3,433
Entertainment and Creative Cluster Partnerships Fund (Note 4)	1,359	-
Toronto International Film Festival Group grants	1,290	1,265
Research Initiatives	264	133
	14,836	10,931
EXCESS OF REVENUE OVER EXPENSES	4,072	283

The accompanying notes are an integral part of these statements.

Statement of Changes in Net Assets

For the Year ended March 31, 2007

	2007 (\$ 000's)		2006 (\$ 000's)	
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	773	2,463	3,236	2,953
Excess of revenue over expenses	(503)	4,575	4,072	283
Investment in capital assets	330	(330)	-	-
BALANCE, END OF YEAR	600	6,708	7,308	3,236

The accompanying notes are an integral part of these statements.

Statement of Cash Flows

For the Year ended March 31, 2007

	2007 (\$ 000's)	2006 (\$ 000's)
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	4,072	283
Amortization of capital assets	503	479
	4,575	762
CHANGES IN NON-CASH WORKING CAPITAL		
Accounts receivable	(43)	75
Due from Ministry	23,000	(20,361)
Prepaid expenses	23	(33)
Accrued interest	(459)	(10)
Accounts payable and Due to the Province	468	101
Accrued employee benefits obligation	11	100
Deferred revenue	(2,505)	20,361
	20,495	233
NET CASH GENERATED FROM OPERATING ACTIVITIES	25,070	995
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES		
Net purchase of capital assets	(330)	(414)
NET INCREASE IN CASH	24,740	581
Cash and cash equivalents at beginning of year	4,156	3,575
Cash and cash equivalents at end of year	28,896	4,156

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

March 31, 2007

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 deposits 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.

Notes to Financial Statements

March 31, 2007

3. CAPITAL ASSETS

			2007 (\$000's)	2006 (\$000's)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and Office Equipment	297	141	156	182
Computer Hardware	44	30	14	26
Customized Computer Software	1,106	771	335	388
Website	35	19	16	20
Leasehold Improvements	390	311	79	157
	1,872	1,272	600	773

4. DEFERRED REVENUE

Deferred revenue represents unspent resources related to funding from the Ministry of Culture. Changes to the deferred revenue are as follows:

	2007 (\$ 000's)	2006 (\$ 000's)
Balance, beginning of year	23,000	2,639
Amounts received or receivable		
- Special funding	5,050	23,000
- Entertainment and Creative Cluster Partnerships Fund	1,804	-
Amounts recognized as revenue		
- Special funding	(8,000)	(2,639)
- Entertainment and Creative Cluster Partnerships Fund	(1,359)	-
Balance, end of year	20,495	23,000

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. \$8.0 million of this amount has been recognized in 2007.

Notes to Financial Statements

March 31, 2007

5. OPERATING EXPENSES

	2007 (\$000's)	2006 (\$000's)
Salaries, Wages and Benefits		
- Tax Credit Administration	1,367	1,267
- Industry Development	1,267	1,238
- Business Affairs and Research	910	974
- Other	531	540
	4,075	4,019
Corporate Expenses and Operations	438	443
Consulting Services	206	172
Amortization of Capital Assets	503	479
Advertising, Promotion & Publications	204	204
Program Support	700	625
Travel	207	158
	6,333	6,100

6. RELATED PARTY TRANSACTIONS

Certain office accommodation costs have been absorbed by the Ministry of Culture and are not included in the Statement of Operations.

7. COMMITMENTS

- (a) **Program Commitments**
The Corporation has approved grants and loans in the amount of \$2,815,000 (2006 - \$1,059,000) which will be paid out of existing funds over the next year if and when certain requirements are satisfactorily met by recipients.
- (b) **Lease Commitments**
The Corporation is committed under operating leases for premises, computers and office equipment to future minimum payments totalling \$94,000 for premises and \$280,000 for computers and office equipment. The lease for premises expires October 31, 2008, and the leases for computers and office equipment expire at various times during the next five years.

8. 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 provides pension benefits to its classified full time employees through participation in the Public Service Pension Fund and the Ontario Public Service Employees' Union Pension Fund. These plans are accounted for as defined contribution plans as the Corporation has insufficient information to apply defined benefit plan accounting. The pension expense represents the Corporation's required contributions to the plans during the fiscal year. The Corporation's required contributions to the pension plans for the year ended March 31, 2007 were \$213,000 (2006 - \$215,000) and are included in Operating expenses.
- (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 \$11,000 (2006 - \$100,000) and are included in employee benefits in Operating expenses.
- (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.

Supplemental Information

Unaudited

THE FOLLOWING CHART ILLUSTRATES THAT 88.9% OF OMDC'S EXPENDITURES FOR THE YEAR ENDED MARCH 31, 2007 ARE PROGRAM-RELATED.

Expenditure Breakdown

For the Year ended March 31, 2007

	Corporate	Program Related	2007 Total (\$000's)
Direct Support (from Statement of Operations):	-	8,503	8,503
From Note 5:			
Salaries, Wages and Benefits	1,077	2,998	4,075
Corporate Expenses and Operations	145	293	438
Consulting Services	65	141	206
Amortization of Capital Assets	134	369	503
Advertising, Promotion & Publications	171	33	204
Program Support	-	700	700
Travel	59	148	207
Total Expenditures	1,651	13,185	14,836
% of total	11.1%	88.9%	100.0%